

SUMMARY

1. Towards the middle of July 1959, the four Agro-Economic Research Centres located at the Delhi School of Economics, Visvabharati University (Santiniketan), University of Madras, Rafi Ahmed Kidwai Agricultural Institute, Sehore, (Madhya Pradesh) and the Farm Management Centre located at Andhra University, Waltair (Andhra Pradesh) were requested to conduct a quick enquiry into the pace and pattern of the flow of rice and wheat from rural areas into the markets and the subsequent disposal of supplies by wholesale traders/millers in the 1958-59 crop season (April to March for wheat and October to September for rice). The enquiry was also intended to assess the factors responsible for any changes in the behaviour of the producers, traders and consumers in the current crop season from their behaviour in the previous crop season. Owing to the limitation of time imposed by the necessity to complete the survey in about three weeks, it had to be confined to only a few markets in different parts of the country. The survey was organised both at the market centres and in the villages (generally 6 to 8) selected from the hinterland of each market centre. In each village, a number of producers, including small, medium and substantial, were interviewed. Some investigations were also made in a few small or feeder markets situated in the neighbourhood of main market centres. The information collected from growers in the villages and the trading community in the main and feeder markets was supplemented by that collected from State Government officers, Railways, Cooperative Departments, banks, traders' associations, market committees, etc. The reports containing the results of the survey were ready by the middle of August, 1959.

2. The following main markets were covered by the different Agro-Economic Research/Farm Management Centres :—

Agro-Economic Research/ Farm Management Centre	State	Commodity	Markets
Delhi	U.P.	Wheat	Hapur and Chandausi
	Punjab	Wheat	Moga, Bhatinda and the smaller markets of Kot-Kapura, Jaitu and Barnala
Santiniketan	W. Bengal	Rice	Bolpur and Burdwan
	Orissa	Rice	Balasore
	Bihar	Rice & Wheat	Begusarai & Monghyr
Sehore	Madhya Pradesh	Wheat	Itarsi
		Rice	Raipur
Madras	Madras	Rice	Tanjore, Tirunelveli and Coimbatore
Waltair	Andhra Pradesh	Rice	Tadepalligudam, Bhimavaram, Nellore and Warangal

As was foreseen at the time of starting the survey, the investigation staff encountered, in varying degrees in different places, concealment and suppression of facts both by producers and traders/millers. However, efforts have been made to obtain as reliable a picture of the current position as possible on the basis of independent judgment. It would be appreciated that in the short time that was available, it could not have been possible to conduct any full-scale statistical enquiry. The selection of markets, villages and cultivators had necessarily to be purposive (for details, *vide* Annexure)*.

3. A commodity-wise analysis of the main findings of the survey is given below.

WHEAT

Disposal of produce by the growers

4. The information collected from various sources in villages and market towns indicate that producers in U.P., Punjab and Madhya Pradesh have, despite larger output, sold much smaller quantities in the current season than they did in the previous season. This feature of the producer's behaviour has been noticed particularly in U.P. Stocks withheld by the producers in the current harvest season are much larger than in the previous season, and this is confirmed by the data supplied by the producers themselves. Although the data on quantities furnished by them have been considerably understated, and the reasons for holding stocks have often been stated to be the requirements for seed and consumption, there is no doubt that the stocks withheld by them are fairly large. A major portion of the stocks is in the hands of medium and big cultivators and not with small producers. There has been a tendency on the part of growers in some areas of Madhya Pradesh to pay wages in wheat instead of the usual practice of payment in gram. This change has been induced by high prices of gram relatively to those of wheat.

सत्यमेव जयते

Market arrivals and stocks

5. *Pace of arrivals.*—The volume of market arrivals of wheat in the post-harvest months of the current year has been much smaller than in the corresponding months of the previous year in the States of U.P. and Punjab. In Madhya Pradesh, the situation differs from market to market, but in the area covered by the survey, market arrivals in the current crop season have been less than in the corresponding period of the previous year. In the Punjab markets, wheat arrivals have been reported to be approximately as much as 10 to 40 per cent less during the period—April to mid-July 1959—than in the corresponding period of last year. In U.P., arrivals have been only a small fraction of the normal. The pace of arrivals in both Punjab and U.P. was slow in all the markets from the very beginning of the post-harvest period this year. However, in Punjab, arrivals have been continuous over the entire post-harvest period and have actually increased in volume from week to week upto mid-July. In fact, during the more recent weeks, arrivals in all the Punjab markets were higher this year than in the corresponding period of last year. In Madhya Pradesh too, current season's arrivals compared with those in the corresponding period of the previous season were lower upto May but larger thereafter when the Government purchase policy based largely on voluntary offers by traders was made known. On the other hand, in U.P., arrivals were significant only upto the 5th May, 1959, the date

*At Page 13

on which the Food and Civil Supplies authorities of the State Government raided the various markets under the provisions of the U.P. Wheat Procurement (Levy) Order and the U.P. Wheat Price Control Order. After this, wheat arrivals diminished considerably and at many markets became just negligible. In U.P. markets, a tendency was noticed for arrivals to be in small quantities to which price control did not apply. No estimates of such arrivals are available, but it seemed clear that they were not substantial and were just enough to meet the requirements of current consumption in local markets.

6. *Stocks in the markets.*—In U.P., no significant stocks seem to have been built up by the wholesale traders, as the arrivals in the market from early May have been very poor and sufficient at best only to meet the demands of local consumers. The small stocks built up by them before the enforcement of the Levy Order, when arrivals were significant, were also quickly disposed of by the traders after handing over 50 per cent of these stocks to Government as required under the Levy Order. In Punjab, some stocks have been built up by wholesale traders, mainly after the State Government had stopped its own purchases of wheat and when the arrivals increased considerably. Prior to that, a large part of the arrivals in the market had been procured by Government and the supplies left over after State purchases were purchased by the traders for purposes of quick distribution over the areas within the wheat zone. In Madhya Pradesh also, traders do not appear to have much of stock with them. They consider it more profitable to trade in and hold stocks of commodities like tur, gram and oilseeds which have good market in other States and are also free from Government control. Thus in U.P., as well as in Punjab, stocks of wheat are largely with the growers. In Punjab, to some extent, wholesalers apart from the Government are also in possession of stocks. Some stocks are also lying with retailers in towns and the local consumers in the market towns and villages. The consumers, with their unpleasant experience of last year's high prices, are reported to have provided for their consumption requirement for a longer period this year. The retailers are reported to be holding larger stocks for meeting the current demand of the consumers. The magnitude of these stocks is, however, difficult to estimate.

Causes of low arrivals

7. *Producer's role.*—Arrivals in the current season have been affected partly by changes in the market behaviour of growers. Their experience of last year's high prices as well as the relatively lower prices prevailing in the current season have induced the grower to currently withhold stocks of wheat from the market in expectation of realizing higher prices in the later months, or to insure themselves against the risk of having to re-purchase wheat for consumption or seed requirement at higher prices later in the year. Uncertainty about the prospects of the coming kharif crop, since it depends so much upon the timeliness and adequacy of rainfall, has also affected the quantities that they would like to retain, at least until September or October. In U.P., operation of price control and State levy has led the producers to sell in small quantities directly to retailers or consumers who are willing to offer higher prices than those fixed for wholesale transactions.

The prices fixed by the U.P. Government on the 5th May, 1959 are regarded by the producer as unfair to him, because the open market prices immediately before that date were generally higher than the controlled

rates. It is, however, difficult to say whether the producer's changed market behaviour has been largely determined by his experience of high prices last year or by the fixation of what, in his judgment, is an uneconomic price in the current season. In any case, the producer is certain that he can sell his produce at any time to Government at the fixed price. Therefore, he thinks that it may be worth his while to hold on to his produce for some time and look for better prices at some future date. The relative cheapness of wheat in comparison with such crops as gram, peas and other pulses and oil seeds, also appears to have induced the cultivator in U.P., Madhya Pradesh and Punjab to sell more of these commodities at the prevailing high prices and to keep back his wheat in anticipation of higher prices later. This seems to account for the increase in market arrivals of these crops. In Madhya Pradesh, as already stated, the producer has tended to make wage payments in wheat rather than in gram.

The price consciousness of the producer has been combined with his capacity to withhold his produce. The outturn of crops other than wheat has also been very good in the current year in all these wheat-producing States. Larger output of these crops together with their high prices has enabled the producer to realize enough cash income to meet his immediate needs and in certain areas of Madhya Pradesh even the cash needs for a number of months ahead. He is, therefore, not under the compelling necessity to part with his wheat harvest immediately. Moreover, the producer has had better access to cash resources including cooperative credit and Government loans and grants this year than in the previous year. It was found, for example, that the increase in the extent of credit supplied by the cooperatives in some villages near Chandausi and Hapur has been as much as 60 per cent.

8. *Trader's role*.—Traders do not appear to have been directly responsible for low arrivals of wheat. They do not seem to have dissuaded the cultivators from bringing their produce to the market either secretly or by open propaganda. Only an indirect part can be said to have been played by a section of *kachha arhatiyas* of U.P. markets who have secretly arranged for the disposal of wheat to consumers or to retailers, thus indirectly assisting the cultivator to market his produce at higher prices by circumventing the levy and price control. But as already mentioned, the magnitude of such transactions has not been large. There was also no substantial evidence of traders doing the risky business of purchasing wheat from the producers at higher than Government prices and stocking the produce within the villages on an extensive scale. Finding less scope in wheat trade, the wholesaler seems to have shifted his investment resources to other crops in respect of which market arrivals have increased and there is freedom from Government control. There does not seem to be any incentive for him for an organised attempt to defeat the purpose of Government trading and controls.

9. *Role of Government policy*.—In Punjab, neither price control nor compulsory levy is in force. Government has not interfered with the normal process of price formation. All that it has done is to reserve to itself the right of prior purchase at fixed prices. The market price of wheat is determined in the normal course of bidding at the *mandi*. Pressure was, however, brought on the traders by such means as threat of cancellation of trade licences, to prevent them from bidding high. Since the Government made its purchases through a syndicate of wholesale traders who worked as commission agents for the Government, it was not difficult to prevent the bids

from rising very high. On the whole, the Government policy did not result in any dissatisfaction or opposition and seems to have had no significant effect on the flow of market arrivals, while it helped in Government procurement and in curbing speculative stock-building by the traders. In U.P., on the other hand, the fixation of maximum prices at levels lower than that ruling in the open market at that time or afterwards, and the imposition of a 50 per cent levy on wholesalers including *kachha arhatiyas*, has affected the flow of supplies in the ways already explained. The scheme did prevent speculative stock-holding by traders, but there has instead been larger withholding of stocks by the producers. In Madhya Pradesh, in the absence of clarification of Government policy till the middle of May, there were apprehensions about possible introduction of compulsory methods of procurement such as levy, and this affected the flow of supplies in the months of March and April in the current year.

Current situation

10. *Urban supplies.*—In Punjab, supplies of wheat for current urban consumption have been available in the market, though on a somewhat reduced scale, and stocks have been built up by traders as well as by the Government. In Madhya Pradesh, too, urban supplies for current consumption appear to be adequate. In U.P., the supplies for current consumption in local markets in surplus areas have been maintained through unrecorded arrivals sold on a retail basis, while supplies in towns of the deficit areas have been sustained by the release of the 50 per cent of the stocks of traders, which have been allowed to be transported from surplus areas under the permit system.

However, the main problem is the maintenance of adequate supplies in the lean period. In Punjab, where the traders have been allowed to carry on their normal trade and have also been able to build up some stocks after the stoppage of Government purchases, the shortage of wheat supplies would, in view of reduced arrivals, be felt in the lean period, unless producers see their way to release the withheld stocks or are made to do so. As for U.P., the continued maintenance of adequate supplies in the deficit areas of U.P., is doubtful, except through Government agency, because arrivals in surplus areas in June and July have been virtually negligible for being moved to deficit areas. Although it is reported that a large number of consumers, in U.P. as well as in Punjab, have provided for their whole year's consumption in the local market towns, it is doubtful whether the majority of the working population have been in a position to make such provision. The very fact that the offtake from Government fair price shops during the harvest months in the markets surveyed has been normal suggests that the stock-building by consumers was not so widespread as has been imagined.

In Madhya Pradesh, where arrivals in recent weeks are already tending to be larger than in the corresponding weeks of the previous year, it is expected that nearly two-thirds of the stocks held by the producers would be received in the market by October/November, when the producer requires cash to carry on his sowing operations of rabi crops and to meet the daily needs and festival expenditure during *Deepavali*. Urban supplies are expected to remain adequate. The remaining one-third of the producers' stocks may be expected after November, depending upon the nature and prospects of the kharif crops.

11. *Prices.*—In Punjab, prices of wheat during the period of Government purchases as well as after that have remained steady although towards the end of July as a result of the onset of the monsoon and the consequent decline of arrivals, they have gone up a little. The decline in arrivals of wheat and Government purchases in this State has, however, helped to maintain prices somewhat higher than what would have been if the markets were left entirely free. The price position in Madhya Pradesh also has been satisfactory. In U.P., the open market prices have been tending to rise and the gap between controlled and open market prices has tended to widen. In view of inadequate market supplies and higher market prices, the pressure on government fair price shops has continued unabated, in most parts of the State.

The overall impact of the support to wheat prices provided by Government purchases and low market arrivals has been some rise in the prices of all agricultural commodities sustained by speculative stock-building of traders who have diverted their operations from wheat to other commodities.

RICE

Disposal of produce by the growers

12. In case of rice, the position regarding the disposal of produce by the growers in the current season varies from State to State. In West Bengal, there was a considerable fall in the production of rice in 1958-59 season over that in the previous year, as a result of which producers had a smaller surplus in the current year. Lower production was reflected in reduced sales and less consumption by them, the extent of decline in sales being more than the decline in consumption. In some areas, lower production was also reflected in less stocks in possession of the farmers. But in other areas, there was evidence of withholding of stocks by medium and large producers with a view to selling in the later part of the season. On the whole, the data collected did not show the existence of stocks at a very high level in the villages. Low level of production in two successive years seems to have depleted stocks at the village level to some extent.

In Orissa, the pattern of disposals by producers in the current season shows a striking change from that in the previous season in the direction opposite to that noticed in West Bengal. In the current season with the increase in production, the volume of sales has shown a large increase over that of the previous year. This, however, does not mean that all the saleable stocks with the producers have been marketed. Large producers are still holding back a substantial volume of stocks from the market.

Available evidence in Madhya Pradesh also reveals a substantial increase in the volume of sales by the growers in the current season over that in the previous season. Stocks with the farmers in the current season are also higher than in the previous season. The increase in both sales and stocks has been made possible by larger production. Big producers are believed to be holding substantially larger stocks than in the previous year.

In Bihar, the rice production in 1958-59 recovered phenomenally from the low level of 1957-58. The sales of paddy by the farmers in the period—January to March, 1959—were at a higher level than in the corresponding period of last year, but went down considerably in the next quarter as a

result of withholding of stocks by the medium and large farmers. On the whole, farmers have sold a lower proportion of their paddy upto the middle of July, 1959, than in the corresponding period of last year. Only in the case of maize, however, the sales during the current year have been all through at a higher level than in the previous year.

In Andhra Pradesh, the producers have shown a tendency to suppress the facts. But the information collected earlier as part of the farm management studies in the West Godavari district reveals that total sales by the producers in the period—November, 1958 to May, 1959—were substantially larger than in the corresponding period of the previous year, consistently with the increase in output. But stocks left over with the producers after sales were also much more than in the corresponding period of the previous year. This tendency to hold larger unsold stocks has been more marked in the case of big producers. After May, 1959, the producers' sales, according to available evidence, diminished very much and were much below the sales in the corresponding period after May, 1958. The reduction in sales was largely due to the unwillingness of the medium and substantial producers to part with their stocks, the small producer having already disposed of his surplus. The withholding of stocks by the producers was more evident in Nellore than in other districts surveyed.

In Madras also, the overall position has been one of deferred sales and increased withholding of stocks by the medium and big producers. The small cultivators do not show any change in their behaviour between last year and this year.

Market arrivals, despatches and stocks

13. *Pace of arrivals.*—In West Bengal, the information that could be collected on arrivals, despatches, stocks, etc., suffered from gross under-reporting. But the broad conclusions that could be drawn from these are, first, that the level of market arrivals upto March, 1959, though lower than in the corresponding period of last year was not below expectations, particularly in view of the low level of production. Marketings by the small farmers must have kept up the level of supplies upto this period. It was only from the end of April or the beginning of May that the volume of arrivals in the market began to dwindle. Delaying of sales by *medium* and *large* farmers appears to be the main reason for this. With the lifting of controls in the last week of June, arrivals in the market went up considerably. However, they were not so much as to cause a favourable turn in the market situation. In fact, it was the failure of arrivals to come up to expectations that led to a scramble for purchases by the millers and dealers who were eager to build up their stocks against the lean months of the rainy season.

On the other hand, in Orissa, there has been a large increase in market arrivals of paddy in the current season as compared with those in the previous season. However, the pace of arrivals has shown a steady decline month by month after April this year. Market arrivals in Madhya Pradesh, too, have been much larger in the current season than in the previous season. In the beginning of the season, between October and December, 1958, market arrivals were less than those in the corresponding quarter of the previous year. But with the commencement of Government purchases in the State, the tempo of arrivals increased and in the quarter, January—March, 1959, the volume of arrivals was twice as large as in the corresponding quarter of the

previous year. The increased volume of arrivals is also evident from the large quantities purchased by the Government.

In Bihar, data on market arrivals, despatches and stocks are not collected and maintained by the State Government in any systematic manner. The scanty data obtained from a few selected traders reveal that the level of market arrivals in the first two quarters of 1959 (January to June) was lower by at least 30 per cent than in the corresponding period of 1958. Bihar, in the past, used to draw supplies of cereals from markets in West U.P., Punjab, Orissa, Madhya Pradesh and even West Bengal. The imposition of ban on inter-State movement of foodgrains on private account has restricted the activities of traders in Bihar markets. There is evidence, however, to suggest that in spite of these restrictions supplies still come to Bihar markets through smuggling.

In Andhra Pradesh, the information supplied by traders and millers about their purchases and sales is not reliable. There is considerable evidence of concealed trade and smuggling to areas outside the Southern Zone. Making due allowance for this, the data collected in the course of the survey show that the market arrivals and the volume of business in the market centres has not decreased in absolute terms during the current year as compared to the previous year. At Warangal centre, which being a regulated market offers reliable data and where no Government purchases are being made and hence there is no significant attempt at underhand trade, there has been a phenomenal increase in the volume of business.

In Madras State, arrivals in the markets as reflected in purchases/sales by the wholesalers were on the whole better in the period September—January, 1958-59 than in September—January, 1957-58. But between February, 1959 (the month in which the State Government enforced price control and levy) and June, 1959, business activity in certain markets fell short of that in the same period of 1958. However, great difficulties were encountered in getting correct information. For the entire period—September to June, 1958-59—the situation on the whole did not compare unfavourably with that in the same period of 1957-58.

Stocks.—The low level of stocks characterised the market position in West Bengal practically all through the current year. The stock position became worse after the dwindling of market arrivals from the end of April. By the middle of June, the stocks had reached an all-time low. Some of the rice millers had to suspend their operations for some time in this period owing to shortage of supply of paddy. A situation of alarm progressively developed in the month of May and June until the lifting of controls on the 24th June. The stock position did improve somewhat soon after the lifting of controls. However, stocks at the end of July were much below those in July, 1958.

In Orissa, the large volume of arrivals in the current year has been accompanied by quick despatches, so that figures of stocks at the end of each successive month have shown a progressive decrease. In fact, in the area studied, market stocks of both paddy and rice have been lower in June and July this year than in the corresponding months of 1958.

More or less the same has been the position in Madhya Pradesh where stocks held by the trade at the end of June this year were lower than those at the end of June last year. During the three quarters ending with June 1959, sales by the traders far exceeded their purchases, resulting in reduction in

stocks. This is just the reverse of what happened in the corresponding period of the previous year, when purchases by traders exceeded their sales. It is evident that with the operation of Government purchases during the current season, traders have been able to clear the stocks which they had accumulated last year.

In Bihar, disposals or despatches by the traders have been at a much lower level in proportion to purchases all through 1959 than in 1958. The net result has been that the stock position has shown a gradual improvement in the current year over the level of 1958. It can be said that in spite of poor market arrivals, the stock position of traders in July, 1959 in the markets surveyed was better than at any time in 1958. The traders allege the poor demand in the market from the consumers responsible for the accumulation of their stocks. There is also a speculative element in the activities of the traders in building up stocks on the eve of the lean season.

Factors influencing market arrivals

14. *Producers' role.*—In West Bengal, the effect of short-fall in production in the current year on market arrivals was aggravated by the uneven incidence of decline in production over different areas of the State. The districts north of the Ganga, most of which are deficit, showed an increase of production of about 33 per cent over 1957-58, while the Southern districts which are surplus and where major urban and industrial areas are located showed a decline of 14.8 per cent as compared with the overall decline of 5.9 per cent in the State. Thus, the availability of marketable surplus with the producers in the surplus areas was reduced to a much greater extent than indicated by the figures of production in the State as a whole and this created an acute problem for the urban and industrial areas concentrated in the Southern parts of the State. The arrivals began to dry up from the end of April or so and this seems mainly to be due to withholding by medium and large producers. The large producers now occupy a position of great importance in the rice economy of the area surveyed. On the one hand, they extend credit to small producers on condition of repayment in paddy and thus acquire command over paddy stocks after harvest. On the other hand, they have combined in themselves the functions of wholesale trade and in some cases even milling.

In Orissa, on the other hand, the favourable effect of increased production on market arrivals has been strengthened by the fact that the increase in production has been larger in the surplus coastal districts than in the other districts.

In Bihar, the pattern of sales by the farmers changed considerably in 1958-59. On the whole, the farmers have increased their sales of maize in the current year and kept down those of rice. This is particularly true of medium and large farmers. Stocks with the farmers were seriously depleted as a result of the poor harvests of at least two previous successive years. There is, therefore, a natural tendency among the farmers to build up inventories in the current year to the normal levels. There also seems to be a very strong desire for stock-holding by all sections of the farmers in anticipation of rise in prices. Only a small section of the producers reported that they were actually helped by the dealers through loans to hold stocks in the current year. In Bihar, as in West Bengal, there is an increasing tendency on the part of the large producers in the areas surveyed to engage in trading activities. They have resorted to purchasing the supplies of the small producers and holding them at the village.

In Andhra Pradesh, the main factor which has induced the producer to increase his stocks during the current year, seems to be his expectation of very favourable prices in the lean months. The producers in this area seem to be holding definite views about prices, and they expect prices to rise not only in the lean months in each year but also in the lean months from year to year. Producers in the Nellore area in particular expect that peak prices in the lean months of the current year would be higher than peak prices reached in 1957-58. Their propensity to hold stocks has been matched by increase in availability of funds. Although the finance made available to the producers in the market centres by the State Bank and commercial banks has considerably decreased, the finance made available to the producers by cooperative agencies has considerably increased. It has also been found that big producers have increased the practice of buying the produce of small cultivators and holding it back from the market.

Traders' role.—In West Bengal, a tendency towards underground transactions became widespread to evade Government procurement and price control. Consequently, visible market arrivals and supplies became very poor. Maintenance of two record books and concealment of arrivals and despatches was the most common practice. An important feature of the traders' behaviour in this State has been the dispersal of transactions by them to points away from the market centres. In the first place, there has been a tendency particularly among the millers to purchase paddy at the village level and in some cases to keep it in stock over there. This was done largely to conceal stocks. Secondly, there has also been a tendency to effect transactions at a number of way-side points which led to the growth of a number of small way-side markets or transaction points. This was also a device adopted by the dealers and in some cases millers to keep their stocks at various points. For instance, in the course of the investigation in the Burdwan area, six pucca godowns on road-side were found, all of which had been constructed in the course of the last two years. Usually, however, these way-side points have served as assembly and despatch points; stocks have not stayed there. The net result of these developments has been the dispersal of transactions and supplies from the central markets to a much larger extent than in the previous year.

One of the striking changes in the current year in West Bengal is the increased tendency among the traders to form associations and make them work vigorously. They are now better able to manipulate the market situation and put up opposition to Government efforts to regulate the foodgrains economy.

In Orissa, reports of smuggling by traders across the State borders have been obtained from reliable sources. But for this, market arrivals in the State would have been even larger.

In Andhra Pradesh, too, smuggling outside the Southern Zone and other forms of concealed trade have correspondingly affected the visible flow of supplies to the markets. There are, however, no indications that the traders or millers were hoarding stocks in the villages or that they had advanced funds to the producers to hold back stocks on behalf of the traders or millers. Nor are there large unsold stocks with traders/millers.

In Bihar, in spite of the poor market arrivals, the stock position of the traders in June-July, 1959 as already mentioned, was much better than at any time in 1958. It is reported that stocks of rice at this time were nearly

50 per cent higher than during the corresponding period of 1958. There seems to be a tendency to build up stocks at the wholesale level both in anticipation of a price rise and to create forces for such a rise.

Role of Government policy.—In West Bengal, actual prices ruling in the market all through 1959 were higher than the maximum prices fixed by the State Government. This created an unfavourable reaction to Government controls among the producers. Most of the producers considered that paddy prices fixed by Government resulted in unfavourable terms of trade for them; and this has found expression in withholding of stocks by large and medium producers. The disparity between the open market and controlled prices also induced these producers to keep stocks with them and sell those stocks in small quantities at black market prices.

In Orissa, the main objective of foodgrains policy has been to keep prices within reasonable levels by isolating the State from the price influence of the neighbouring States and to purchase as much of surplus paddy and rice as possible for supplying largely to other deficit States. Purchases of rice are being made by the Orissa Government on behalf of the Centre from purchasing agents appointed for the purpose. The Orissa Government has also been trying to ensure a reasonable return to the grower and has announced minimum prices payable to him. These elements of food policy, instead of having any adverse effect on the flow of supplies to the market, have induced larger flow of supplies. As a result of the operation of the scheme of State trading, there has been a significant increase in the number of assembling centres in the current year. The number of dealers and wholesalers has also correspondingly increased. The result of this development has been much better contact between the producers and the market, which in turn, has facilitated the sale of paddy by the farmers all through the year, even in the rainy season. The reaction of producers to the scheme of State purchases has generally been favourable. The feeling of at least medium and small producers is that they have in the past been exploited by millers and dealers in respect of prices, weighment, rebate, etc.

In Madhya Pradesh, purchases of rice by the Central Government at maximum controlled rates on the basis of voluntary offers by traders and dealers and of paddy by the State Government without any compulsory methods do not appear to have had any adverse effect on market arrivals. On the other hand, there is evidence that had Government purchase scheme not been put into operation, the demand by traders would have been less with the consequential effect on flow of supplies from rural areas. However, with higher prices prevailing in the adjoining States, the grower in Madhya Pradesh has been smarting under the feeling that prices offered by Government have been on the low side. This feeling does not appear to have been so strong as to find expression in reduced marketings. The view has been expressed that the position regarding procurement and market arrivals would have been still better if Government had announced its policy in advance to allow time for officials to make complete preparations and if Government were prepared to buy even in small lots and had adequate storage capacity.

In Bihar, in respect of the control of price of rice, there was no enforcement and the prices ruling in the market were always above the statutory maximum. The levy on the purchase of rice by dealers and millers was also not strictly enforced. The levy order was subsequently withdrawn;

the price control order too was rescinded in June, 1959. The growers seem to consider that the statutory prices fixed by the Government were unfair to them inasmuch as these were below their price expectations or parity with prices of other goods. It seems that in Bihar the uncertainties of yield have made the farmers extremely price-conscious.

In Madras, the enforcement of price control and levy appeared to have affected the flow of supplies in certain markets. But it is not clear whether the effect was real or merely reflected an increase in concealed transactions.

Current situation

15. The flow of market supplies of rice in 1958-59 season has been larger than in the previous season in the surplus States of Madhya Pradesh, Orissa and Andhra Pradesh but smaller in the deficit State of West Bengal and more or less the same or slightly less in the marginally placed State of Madras. In Bihar, which is also a deficit State, the flow of market arrivals has not increased consistently with the large increase in output in the current year.

Both in Madhya Pradesh and Orissa, market prices during the current year have been reasonably stable throughout the operation of the scheme of State purchases. In both these States, prices in the current season have been somewhat lower than in the previous season. Government purchases have also provided support to the market and prevented prices from falling to uneconomic levels. In fact, in Madhya Pradesh, the price of coarse and medium variety ruled below Government purchase rates in the early part of the Government purchase scheme and it was pushed up by Government purchases. In Orissa, the scheme of State purchases has also resulted in an increase in the number of assembling centres and a narrowing of the gap between prices in the producing areas and in the wholesale markets. In Andhra Pradesh, the rise in prices especially between March and July has been more rapid than in the corresponding months of the previous year. The prices in the harvest months of 1958-59, i.e., January to March, in the Nellore market have been higher than the maximum prices reached in 1957-58. These price trends indicate strong demand pressures in the market much more than any factors working on the production or supply side. It is reported that what has been operating on the supply side is the unwillingness of producers to market the produce except at high prices. In Bihar, there has been a decline in prices from the high level of 1958. But the fall has not been commensurate with the increase in output. In West Bengal, prices in the first few months of the crop season were below those in the corresponding months of 1958; it was only in the later months that ruling prices were above the level of the previous year. The price situation in the State was influenced, among other factors, by a phenomenal growth in the number of *chira* (parched rice) making machines and paddy husking machines in the current year. The owners of these machines have been rigging up prices, undeterred by levy which did not apply to these small establishments and by price control which is relatively easy for them to evade. Rice trade has also attracted a large number of new entrants in the markets in West Bengal which, too, resulted in an increase in demand pressures on available supplies. With the lifting of controls, market arrivals improved but the price did not come down immediately as the flow of market arrivals was still not enough to meet the demands of traders and millers who wanted to build up stocks for the lean rainy season. More recently, however, the prices have shown a tendency to decline.

ANNEXURE
Statement showing the Coverage of Markets, Traders, Millers, Villages and Farmers in the Enquiry into
Flow of Market Supplies

State	Market Surveyed (No. and Names)	Number of Traders and Millers contacted		Villages Surveyed (No. and Names)	Number of Farmers contacted	REMARKS
		Traders	Millers			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Punjab	Moga and Bhatinda (2) and neighbouring markets of Kot- Kapura, Jaitu, Barnala and Bagapurana (4) 2+4=6	35	—	18	152	Includes 79 big farmers (with hold- ings 20 acres and above). 45 medium farmers (with holdings of 10—20 acres). 28 small farmers (with holdings below 10 acres).
2. Uttar Pradesh	Hapur and Chandausi (2) and the neighbour- ing markets of Gulavthi, Bisauli and Wazirganj (3) 2+3=5	33	—	16	102	Includes 33 big farmers (with holdings 20 acres and above). 44 medium farmers (with holdings of 10—20 acres). 25 small farmers (with holdings below 10 acres).
3. Andhra Pradesh	Tadepalligudam, Bhima- varam, Nellore and Warangal (4)	4	10	—	144	Includes 49 big farmers 56 medium farmers 39 small farmers
4. Madras	Tanjore, Tinnevely and Coimbatore (3)	21 (Data for 16 are comparable)	—	Kalayanapuram, Ma- digai, Sengipatti, Seidinganallur, Karmgulam, Sa- trampudukulam, Suthamalli, Raja- vallipuram, Nara- singanallur, Muda- kurichi, Elama- thur, Sivagiri (12)	107	Greater weightage was given to the big holders in the selection of cultivators.

ANNEXURE—*cond.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)		
5. Madhya Pradesh	Raipur (for rice) (1)	5 (Data for 3 only are comparable)	2	Chnoda, Parastaria, Teoraiya and Dharsimba (4)	56	Includes 10 big farmers (with holdings 25 acres and above). 17 medium farmers (with holdings of 10—25 acres). 29 small farmers (with holdings below 10 acres).		
	Itarsi (for wheat) (1)	10	—	Beora, Mehraogaon, Thunjanpur, Gochi Tarand, Pathora and Sona Sanoni (6)	56	Includes 21 big farmers (with holdings 20 acres and above). 21 medium farmers (with holdings of 10—20 acres). 14 small farmers (with holdings below 10 acres).		
6. West Bengal	Bolpur and Burdwan (2)			12	91	Includes 17 big farmers (with holdings 20 acres and above). 25 medium farmers (with holdings of 10—20 acres). 49 small farmers (with holdings below 10 acres).		
7. Orissa	Bhadrak (1)			10	48	Includes 7 big farmers (with holdings 20 acres and above). 6 medium farmers (with holdings of 10—20 acres). 35 small farmers (with holdings below 10 acres).		
8. Bihar	Begusarai and Monghyr (2)			12	113	Includes 14 big farmers (with holdings 20 acres and above). 19 medium farmers (with holdings of 10—20 acres). 80 small farmers (with holdings below 10 acres).		
TOTAL				25	108	12	97	869

UTTAR PRADESH AND PUNJAB

*The survey in the selected areas of Uttar Pradesh and Punjab
was conducted by the Agro-Economic Research
Centre, Delhi School of Economics,
University of Delhi, under
the guidance of the
Director of the
School,
Dr. B. N. Ganguli*

SECTION I

WHEAT ARRIVALS

The most important objective of the enquiry was to ascertain the state of wheat arrivals in the markets under study.

From all evidence available, it is definitely established that the volume of wheat arrivals in all the markets surveyed has been much lower in the post-harvest months this year as compared to the corresponding period last year. Wheat arrivals in Punjab markets have been approximately as much as 10 to 40 per cent less during the period April to mid-July 1959. In U.P., arrivals have been only a very small fraction of what they used to be normally. In Hapur, for example, the decline has been as much as 83.4 per cent.

The rate of arrivals has been slow in all the markets from the very beginning of the post-harvest period this year. The supplies came in smaller quantities during the first weeks of the season as compared to the corresponding period of the last year. However, there are differences between Punjab and U.P. in regard to the trend of arrivals. In Punjab, arrivals have been continuous over the entire post-harvest period, and have gradually increased in volume from week to week upto mid-July. The period of maximum arrivals in the Punjab markets, is surprisingly the same everywhere, viz., the second fortnight of June and the first fortnight of July. In fact, during the last three weeks of the period under study, arrivals in all the Punjab markets have been higher this year than in the corresponding period last year.

On the other hand in U.P. the arrivals have been significant only upto 5th May, 1959—the date on which the Food and Civil Supplies authorities raided the various markets of U.P. under the provisions of the U.P. Wheat Procurement (Levy) Order of 1959 and the U.P. Wheat Price Control Order of 1959. After this date, wheat arrivals diminished considerably and after a couple of weeks became negligible.

The data supplied by official agencies indicate almost a complete stoppage of wheat arrivals in Hapur and Chandausi. But it was found that limited quantities of wheat were arriving daily in the towns and were being sold at prices higher than those laid down in the U.P. Wheat Price Control Order, 1959 and in quantities to which the Price Control Order does not apply. The estimates of quantities for such arrivals varied from source to source. The traders tended to estimate them at a little higher figure while the official estimates were somewhat lower. But from all accounts, it was evident that the quantities were not substantial. They were just enough to meet the requirements of consumption in the local markets. The estimates of local consumption requirements for Hapur and Chandausi respectively were about 400 and 200 maunds per day. Part of the consumption requirement was met from the supplies available from the Government fair price shops*. The rest was met from such supplies as were outside the operation of price control.

*About 250 maunds daily were issued by Government in Hapur and about 100 maunds in Chandausi.

It must be added that wheat was reported to be freely available in the markets for consumption purposes and there was no physical shortage. But the estimates of the quantities of arrivals suggest that stocks with retailers or small flour millers could not possibly be very heavy. They were just enough to maintain supplies for current consumption.

It was surmised by some informants that later in the season supplies have gone into stocks which would be enough to meet the requirements of urban consumption during the coming rainy season. It is, however, difficult to be precise about this matter, in the absence of detailed data from retailers. The official data, however, suggest that it would be unwarrantable to assume the existence of these supplies in the market.

Manner of arrivals

In Punjab, there was no change in regard to the manner of arrivals, this year as compared to last year. The producer brought his produce, as usual, to the middlemen traders (*kacha arhatiyas*) who arranged to sell it to the wholesale traders, the government or the consumers. The only difference is that the government has been an important customer during this season, between 5th May and mid-July.

The situation has been different in U.P. Because of the enforcement of the Wheat Procurement (Levy) Order and the promulgation of the Wheat Price Control Order, the link between the producer and the middlemen traders appears to have been snapped this year. Under the law, commission agents (*kacha arhatiyas*) are included in the category of traders who have to surrender 50 per cent of their total arrivals to the government at fixed prices. The producer, therefore, has a sense of insecurity in the matter of bringing his produce to the shops of *kacha arhatiyas*. On the contrary, he prefers to sell his grain directly to the consumer and within the village. It was probably for this reason that in Chandausi the supplies which trickled from the rural areas were brought largely by the village traders (*paikars*) and not by producers directly. Even in normal seasons, *paikars* do play an important role in the marketing of produce in the region around Chandausi; but this year, they alone seem to be the link between the market and the village. Similarly, in Hapur, the limited supplies flowing in are usually brought either by consumers directly from the village or by the hired agents of middlemen traders and retailers who are interested in profiting from the prevailing market situation.

It has been reported that often the *kacha arhatiya* is the person who connects the producer with the consumer or with the small intermediaries who have grown like mushrooms and who have been moving the supplies from the villages to the towns. But it was difficult to ascertain how far he was playing this role. It was, however, confirmed from the producers in Hapur that quite a few of the purchasers coming from the towns were those who were introduced by *kacha arhatiyas* in Hapur.

SECTION II

LOCATION OF STOCKS

Since the volume of arrivals and the rate of flow of supplies were less and there was also a change in the pattern of marketing at any rate in U.P., a substantial part of the current year's wheat production in both U.P. and

Punjab has not yet flowed into the market. The data collected from various sources in the market towns and from the neighbouring villages definitely indicate that stocks withheld by the producers in the current harvest season are much larger than in the last year. In Punjab, even though the arrivals have not declined as heavily as in U.P., the stocks still lying with the producers were reported to be substantial in villages around Moga, Bhatinda, Kot-Kapura and Barnala. The fact that stocks are lying with the producers is fully confirmed by data supplied by the producers themselves. Although the quantities given by them have been considerably understated, and the reasons for holding stocks have been often stated to be the requirements for seed and for consumption, in view of the small fraction of their gross production that has so far been sold, particularly by the medium and big producers, the stocks held by them are fairly large.

As regards the supplies already received in the market, it must be pointed out that it is only in Punjab markets that some stocks have been built up by wholesale traders. This happened mainly after the government had stopped its own purchases of wheat and when the arrivals increased considerably. Prior to that, a large part of the arrivals in the market had been procured by the government (on some days even as much as 76 per cent of the total arrivals in the markets) and the supplies left over after State purchases were purchased by the traders for purposes of quick distribution over the areas within the wheat zone. Most of the supplies purchased by the traders in Punjab prior to stoppage of government purchases were generally transported by trucks to towns where there was a keen demand, particularly to areas in Himachal Pradesh and Kashmir and to Delhi. Thus, except stocks with traders for which figures are given in Table No. 7* in the Appendix no other stocks are reported to have been lying with the wholesale traders in Punjab.

In U.P., the wholesale traders were unable to build up any stocks of wheat, because the arrivals upto the 5th May, 1959, which was the date of the enforcement of the Wheat Levy Order, had not been very heavy. The flow started in significant quantities only in the last week of April and supplies were purchased either by local consumers and retailers or by wholesale traders for quick distribution in other towns. Generally, the wholesale traders do not build up their stocks from early arrivals of the season because the prices are higher than at the time of peak arrivals, and their expectations are that the prices will go down as the arrivals increase. Moreover, whatever stocks of these early arrivals were held by wholesale traders were taken over to the extent of 50 per cent by the government on the 5th May, the rest being released for sale in the retail market or for being sent to the deficit districts within the State under a regular system of permits. The traders naturally took steps to get rid of these stocks as early as possible. Since the subsequent arrivals in the market were very poor and sufficient at best only to meet the demands of local consumers, no significant stocks could be built up by wholesale traders.

Thus, in U.P. as well as in Punjab, stocks of wheat are largely with the agricultural producers. In Punjab, stocks are largely with the government and only to some extent with the wholesale traders.

*See Appendix at the end of the Report on U.P. & Punjab.

Some stocks are also lying with retailers in the towns and the local consumers in the market towns and in the villages. The consumers, with their unpleasant experience of the last year's high prices, are reported to have provided for their consumption requirements for a longer period this year. The retailers are reported to have done so also for meeting the current demand of their consumers. The magnitude of these stocks is, however, difficult to estimate.

Nature of stocks with producers

As regards the stocks with producers, it must be emphasised that a major portion of them is in the hands of medium and big cultivators and not with small producers. "Big producers" in this enquiry have been taken to be those having a cultivated holding of 20 acres or more and "medium producers" as those having a cultivated holding of 10 acres to less than 20 acres. This classification is arbitrary and has been adopted merely to bring out the differences in stocks held relatively by large cultivators in comparison with small cultivators. We may add that generally the largest portion of the total arrivals in the market comes from large cultivators and that withholding of stocks even by a small number of them can diminish the total arrivals significantly.

We may emphasize another point regarding the stocks of wheat accumulating with the producers. These stocks are never held entirely for speculative purposes; nor have they been built up entirely out of precautionary motives. The village producers, on the basis of their experience of high prices due to shortage of supplies in the previous year and the state of the kharif crops last year, have made a larger provision in the current season for consumption and seed requirements. The uncertainty about the prospects of the coming kharif crop, since it depends so much upon the timeliness and adequacy of rainfall, has also affected the quantities that they would like to retain, at least until September and October next.

However, the data collected in the market as well as from producers unmistakably prove that expectations of better prices in future and the experience of the last year's peak prices have influenced the stock-holding policies of many producers. Their stocks have been reported largely to have been withheld for purposes of sale later in the season at higher prices. The quantities stocked especially by medium and big producers appear to be much larger than would be sufficient for their consumption and seed requirements during the remaining part of the agricultural season. There is, however, some difference in this respect between U.P. and Punjab, where stocks with the big producers are reported to be much larger.

SECTION III

CAUSES OF LOW ARRIVALS

Low arrivals in the markets under study are not the consequence of deficient production. On the contrary, it has been reported that the area under wheat in Punjab as well as in U.P. has either increased or remained unchanged. This year, outturn of wheat is reported to have been better in Punjab and almost the same as last year or better in U.P. Only in villages

around Chandausi, it was reported that wheat output had been affected adversely by strong winds that blew at the time of the ripening of the crop. The data obtained from revenue officials about the area and production of wheat as well as from producers generally suggest that production of wheat has either not declined or has increased.

The arrivals have, therefore, been affected mainly by changes in the market behaviour of village producers because of certain factors that have influenced them during the current harvest season.

These factors are mainly the level of prices that prevailed in the market during the several months immediately preceding the harvest and/or the disturbances in the working of the free market during the current season caused by the State trading scheme launched by the U.P. and Punjab Governments. In Punjab, the experience of last year's high prices as well as the relatively lower prices prevailing in the current season have induced the producers to currently withhold stocks of wheat from the market for the following purposes :

- (1) To make profits on stocks released during the later months of the year at high prices which they expect to prevail.
- (2) To meet consumption requirements in future and to insure themselves against the risk of re-purchasing wheat at higher prices later in the year.
- (3) To avoid purchasing their seed requirements at high prices later.

Since it has been found that a major portion of the stocks lying with the producers are held by medium and large cultivators, one would expect that the stocks withheld for consumption and seed requirements would be only a fraction of the stocks held for purposes of sale at higher prices later in the year.

In the case of U.P., the disturbance in the flow of supplies from the rural areas into the markets has made it difficult for us to judge whether the producers have withheld larger stocks because of their experience of high prices last year, or whether they have been forced to withhold them because of the impact of the State trading scheme on their expectations. The price control on wholesale transactions in wheat led to a rise of prices in the retail market, because the compulsory levy of 50 per cent on wholesale transactions at Rs. 13, 14 or 15, is considered unfair by the producer, because the open market price immediately before 5th May ranged between Rs. 15.37 and 16.19. He has, therefore, resorted to selling his produce to the middlemen, retailers or direct consumers, who offer to buy at prices higher than what is fixed under the price control order because the latter need it largely for current consumption. Since the farmers are able to sell grain at these higher prices, even though in small quantities, they have probably been encouraged to hold their stocks a little longer in expectation of a further rise in prices. For the same reason, they may also have been forced to make a larger provision for their consumption and seed requirements, which, in the absence of a controlled market for wheat, they might not have made.

Because of the complicating factor of the wheat levy and the wheat price control it is difficult to say whether the producer's market behaviour

regarding stock-holding has been largely determined by his experience of high prices last year or by the offer by the State of what in his judgment is an uneconomic price in the current season. The producer is certain that he can sell his produce at any time to the government at the fixed price. Therefore, he thinks, it may be worth his while to hold on to his produce for some time and look for better prices elsewhere or at some future date.

It has been reported from Chandausi as well as Hapur that the experience of high prices and the poor kharif crop last year had already induced the producers to make a larger provision for their consumption and seed requirements this year, due to which arrivals had been lower this year as compared to last year even before the State Trading scheme was enforced. Nevertheless, the steep decline in arrivals after 5th May is not adequately accounted for by the producers' precautionary motives. It appears that the State Trading scheme has strengthened the desire of the producer to withhold stocks of wheat not so much for his own consumption and seed requirements, for which he had already provided, but for making profits from an expected rise in prices later in the year.

The factors that have influenced the producers' capacity to withhold stocks of wheat from the market are several. The producers have better access to cash resources this year as compared to last year. It was found that the increase in the extent of credit supplied by the cooperatives in some villages near Chandausi and Hapur has been as much as 60 per cent. Cash has also been obtained from development authorities. Further, the cash available from the sale of kharif crops in the pre-harvest months and of rabi crops other than wheat, is adequate for meeting a large part of the financial obligations of the producers, because of the high prices realized. Gram, arhar, peas, gur, rab, cotton etc., have yielded very good returns to the producers. The relative cheapness of wheat in comparison with such crops as gram and peas induces the cultivator to sell gram and peas at the prevailing high prices and to hoard his wheat in anticipation of higher prices later.

Outturn of crops other than wheat has been very good in some areas this year. In the markets and villages near Bhatinda, it has been reported that due to timely rainfall gram production has nearly doubled and even trebled in some cases. Arrivals of gram in all these markets have, therefore, increased enormously. Similarly in Moga, the outturn of the cotton crop in the preceding season was very good. Oilseeds also have provided a good subsidiary crop for meeting part of the farmer's cash requirements. In Hapur and Chandausi, production of peas and arhar, as well as of sugarcane (converted into gur and rab) has considerably increased the staying power of the farmers.

Our data clearly show that there has been a significant increase in the arrivals of crops like gram, peas, arhar, gur and rab, etc. from the rural areas into the markets that we have surveyed. In Bhatinda and Kot-Kapura a very large increase in arrivals of gram have been recorded. In Hapur and Chandausi, peas and arhar have shown a similar, though not an equally strong, trend. Gur arrivals in Hapur and rab arrivals in Chandausi have also increased to some extent. Gur arrivals in Hapur normally cease in March, but they continued even during the months of April, May and June. We found a similar situation in Chandausi in respect of rab.

Thus, the main cause of low wheat arrivals is the change in the market behaviour of producers this year. Having been assured of a minimum price of Rs. 13 to Rs. 15 per maund of wheat during any part of the year, the producer is no longer afraid of the sharply downward fluctuation in the free market—a factor which so largely contributes to drawing off supplies from the producers during the harvest period. The increase in his capacity to withhold stocks has reinforced his position. During the few weeks preceding the imposition of government wheat levy and price control orders in U.P. the prices had been declining and arrivals gradually beginning to increase. But as soon as government orders were promulgated the prices began to rise and arrivals in the open market almost completely stopped. It is difficult to say what the price of wheat would have been if the arrivals had continued normally. But it is certain that it could not have been very much higher than what was offered by the government.

Our finding is that traders do not appear to have been in any way directly responsible for low arrivals of wheat in the markets of U.P. and Punjab. Neither the wholesale traders nor middlemen traders are reported to have dissuaded the cultivators from bringing their produce to the market either secretly or by open propaganda. Only an indirect part, if at all, can be said to have been played by a section of *kacha arhaiyas* and flour millers of U.P. markets, who have secretly arranged for the disposal of wheat to consumers or to retailers, thus indirectly assisting the cultivator to market his produce at higher prices by circumventing the Levy and Price Control restrictions.

As already mentioned, the magnitude of such transactions is, however, not large enough to be characterised as being due to an organised effort of traders to frustrate the government's policy of State trading. The *kacha arhaiyas* in Hapur are reported to have frightened away producers by pointing out that the latter have to surrender 50 per cent of their produce at uneconomic prices and thus encouraged them to withhold supplies. But too much weight should not be attached to this factor when we try to explain low arrivals of wheat in the markets.

The traders, in order to compete with government in purchasing wheat, could have offered a higher price and stocked the produce within the villages on an extensive scale. But no trader is prepared to indulge in this risky game under the threat of confiscation of stocks under law at fixed prices which are lower than what he would have had to pay to build up his stocks. Moreover, since trade in other agricultural commodities is quite open the wholesale traders have naturally shifted their resources to investment in holding stocks of other crops. There is, therefore, no incentive for any organised attempt to defeat the purposes of the government policies.

SECTION IV

ECONOMIC CONSEQUENCES OF LOW WHEAT ARRIVALS IN THE CURRENT HARVEST SEASON

The main economic consequences of low wheat arrivals have been the following :—

- (1) A high price level of agricultural commodities in general and of cereals in particular, especially in U.P.

- (2) Shift of investment by wholesale traders to building up stocks of agricultural commodities like gram, peas, arhar and gur, with consequent upward pressure on their prices as well.
- (3) Absence of adequate supplies of wheat with wholesale or retail traders in the towns, particularly in U.P., for meeting the consumption requirements of the urban population during the remaining months of the year.

We may point out that the impact of these economic consequences has been different in the States of U.P. and Punjab. In the former, the consequences are somewhat more serious than in the latter. In Punjab, supplies of wheat have been available in the market, though on a somewhat reduced scale, and stocks have been built up by traders as well as by the government. In U.P. the situation is different.

The decline in arrivals of wheat in the markets of Punjab, and the purchase by government of a major part of wheat arrivals has helped to maintain the prices of wheat at a level somewhat higher, in the opinion of traders, than what it would have been if the markets were left entirely free. Simultaneously, the absence of restrictions on movement, prices and purchase of foodgrains other than wheat and rice and the expansion in the trade in those commodities as a result of shift of investment from wheat stocks have contributed to maintaining their prices at a level much higher than what it would have been if the markets for *all* foodgrains had been functioning equally freely or under the same degree of control. Government's inability to take over wholesale trade in all foodgrains and its policy of control of trade in wheat and rice at pre-determined prices have given the traders an assurance of a sustained high price level for all foodgrains and has induced them to purchase commodities other than wheat on a large scale.

Thus, the overall impact of low wheat arrivals in Punjab and U.P. has been some rise in the prices of *all* agricultural commodities sustained by the speculative stock-building of traders. The actual magnitude of this speculative rise is difficult to estimate in precise statistical terms. It would be higher in U.P. than in Punjab. The maintenance of prices at these levels depends entirely on what happens to the supplies of wheat in relation to the demand for it in the market. In fact, even if the government-controlled distribution of wheat and rice at prevailing prices continues it is doubtful whether the prices of other commodities would be falling very much since the prescribed prices provide a rock bottom level of wheat prices and have established their parity with the prices of other foodgrains on a different basis from what would be justified in an entirely free market.

Another important consequence of the current market situation has been the absence of adequate supplies of wheat in the towns to meet the consumption requirements of the population during the lean months of the year. In Punjab, since the traders have been allowed to carry on their normal trade irrespective of government purchases of wheat, and have also been able to build up some stocks after the stoppage of government purchases, the shortage of wheat supplies in Punjab towns may be somewhat less than in U.P. towns. But that these supplies have been reduced as a result of decline or stoppage of arrivals is an obvious fact.

Although it has been reported that a large number of consumers have provided for their whole year's consumption in the local market towns, it

is doubtful whether the majority of the working population in those towns or throughout the States could have afforded to make such provision. The very fact that the offtake from government fair price shops during the harvest months in the markets surveyed has been normal suggests that the stock-building by consumers was not so widespread as has been imagined.

Another piece of evidence against the inference that the wheat supplies have been scarce is the availability of sufficient supplies for current consumption in most towns of the two States. But the adequacy of wheat supplies during the post-harvest months does not mean that supplies will be adequate in the coming months, especially from October, 1959 to March, 1960. Adequacy of supplies in Punjab so far has been ensured by the private distribution channels functioning normally, though on a reduced scale. In U.P., the arrivals in the markets prior to 5th May have been quickly distributed over other markets. The supplies in local markets in surplus areas have been maintained through secret unrecorded arrivals sold on a retail basis, while supplies in towns of the deficit areas have been sustained by the release of the 50 per cent of the stocks of traders, which has been allowed to be transported under the permit system.

But the continued maintenance of adequate supplies in the towns of the deficit areas of U.P. is extremely doubtful except through the government agency, because the arrivals in surplus *mandis* during June and July have been virtually negligible for purposes of export to other areas. In Punjab, supplies would continue so long as the stocks, in circulation, of traders are adequate and so long as the government continues to release its stocks. Thereafter the only source of supply will be the producer. But the flow of supplies would depend upon several factors such as the state of the kharif harvest and the level of prices of wheat in relation to that of other food-grains. If the outturn of kharif crops is normal it may be expected that the flow of supplies of wheat after the rains will be restored, and may continue. The ruling price will of course influence the quantities that actually arrive in the market. The prices will, however, be higher than those which have prevailed during the harvest months. In fact, it is only higher prices that will attract supplies from producers. But how high will be the price of wheat will depend not only on the outturn of kharif crops, but also on the size of government stocks, the timeliness of their release, the demand of traders for distribution (assuming that stock-building by traders will not be permitted by government in these months), etc.

It may be interesting to cite here the opinions of traders in Punjab and U.P. markets as regards the future price trend. In Moga, some traders surmised that the price of wheat in the coming months will neither rise very high nor fall very low. This, they held, would be due to the fact that the producers will be bringing wheat to the market in quantities just sufficient to meet the current demand for local consumption and for distribution in other towns. As soon as prices rise, large quantities will be available in the market from the producers as well as from the government and the prices will be held in check. On the other hand, as soon as the prices begin to fall, the government will come to the rescue of the producer.

In U.P., traders were of the opinion that the price of wheat in the lean months, be even higher this year than last year. Some ~~year mentioned~~ ed Rs. 40 as the likely price of wheat in the coming December or January

Even if these surmises of the traders be taken as mere guesses based on insufficient data, it remains true that the behaviour of wheat prices in the coming months will be largely determined by the stock-holding policies of the producers. If they can be made to part with their stocks under psychological pressure exercised by the government ensuring an uninterrupted supply of wheat in the market at prescribed minimum prices and arranging to supply essential consumer and producer goods at reasonable prices in return for wheat from cooperative stores the market situation will improve. But the main factor that will govern their market behaviour will be the price of wheat in relation to the prices of other foodgrains that prevail in the market. If the prices of bajra, jowar and maize are fairly remunerative, it may well be that a good part of stocks left with the producer will be utilised for personal consumption. But those who are familiar with producer behaviour have held that a sudden changeover in consumption from kharif grains to wheat is not possible on any extensive scale and that, it may be safely assumed that supplies of wheat will flow into the market, but in what quantities and at which prices, no one could safely predict.

In Punjab, it was reported that supplies may continue uninterruptedly when the prices range between Rs. 16 and Rs. 19 or Rs. 20 per maund. In U.P. also, traders were of the opinion that if the prices remained steady within the range of Rs. 16—Rs. 17 to Rs. 19—Rs. 20, there may not be much difficulty in supplies coming on the market. But U.P. traders were very pessimistic in view of the continued enforcement of the Wheat Levy and Price Control Orders. They felt that the compulsory levy of 50 per cent even on *kacha arhatiyas* who are mere intermediaries between the producers and the customers has scared away supplies, specially because the prices actually obtained by the producers are higher than those offered by government. They hold that intervention by government in the market, by itself, raises the price to a certain extent. They are uniformly of the opinion that the flow of supplies can be ensured only if the market is left free and if the government tries to procure its supplies at prevailing market prices through the established market agencies either under a system of monopoly purchases, or on an agency basis or contract basis.

SECTION V

THE STATE TRADING SCHEME IN PUNJAB AND U.P.

It will be evident from the analysis presented in the preceding paragraphs that the policy of State Trading in foodgrains as pursued by the State Governments of U.P. and Punjab has an important bearing on the rate and character of wheat arrivals in the market and on the prices of agricultural commodities. We propose to review briefly some of the important features of the government policy in the two States and its repercussions on the market.

The broad characteristics of the State trading scheme, as enforced by the States of Punjab and U.P. may first be briefly summarised. In Punjab,

the government promulgated the Punjab Foodgrains (Procurement) Order, 1959 on 5th May, 1959, under which the government assumed the power of prior purchase of the whole or any portion of the daily arrivals of wheat, gram or barley on payment of such prices as may have been fixed by the normal process of bidding in the selected *mandis*. It was laid down that the person purchasing foodgrains on behalf of the government should not take part in any transaction fixing the price of foodgrains and shall take the government share at the rates fixed by the normal process of bidding at the *mandi*. Further, no person could purchase or take delivery of any portion of the daily arrivals of foodgrains unless the government purchaser obtained the government share or the foodgrains sub-inspector declared that government share will not be taken.

In contrast to Punjab Orders, the U.P. government issued two orders viz., the U.P. Wheat Procurement (Levy) Order, 1959 on 5th May, 1959 and U.P. Wheat Price Control Order, 1959 on 4th May, 1959. According to the first Order, all 'licensed dealers', who are defined as traders who hold in stock 50 maunds or more of all agricultural commodities at any time, are required to compulsorily surrender 50 per cent of their opening stock (on 5th May, 1959) and of all their future arrivals and purchases, at the prices laid down in the U.P. Wheat Price Control Order, under which, no wholesale transaction in wheat, (which means a transaction of more than 10 maunds) can be effected in any locality of the specified districts at prices higher than Rs. 13 for red quality, Rs. 14 for fair average quality and Rs. 15 for farm quality.

It would be seen that, while in U.P. a full-fledged regime of price control accompanied with a compulsory levy of 50 per cent on all traders including wholesalers, commission agents, retailers etc. has been imposed, in Punjab, there is neither price control nor a compulsory levy. In Punjab, the government has only assumed the authority to purchase wheat, barley and gram at the prices fixed in the normal process of bidding, and has only asserted its right of prior purchase. The government has very cleverly refrained from influencing the normal process of bidding in the market and has agreed to purchase at prices fixed in that process. Thus there is adverse reaction on neither the producers nor the traders, because the forms of a free market would be fully preserved and the price paid to the producers would appear to be determined solely by the interaction of demand and supply. Lest its entry into the market as a purchaser may raise prices unduly, the government has abstained from bidding and accepted the prices fixed in the normal process of bidding amongst the traders. Since the government purchasers have been instructed not to indicate the heaps which the government was interested in purchasing before the bidding was over, it can be stated that the price of produce was fixed in accordance with the operation of the normal law of demand and supply. Since the government had the right of prior purchase the traders could not be sure whether sufficient quantities were left over for them to buy if their price bids were quite high. Moreover, unofficially, the food sub-inspectors were reported to have been preventing the traders from bidding high by the threat of cancellation of their trade licences. Since the government made its purchases through a syndicate of wholesale traders who worked as commission agents for the government, it was not very difficult to prevent the bids from rising very high.

It is evident that the Punjab State trading scheme was a very intelligent and subtle device to procure supplies of wheat at reasonable prices. It achieved simultaneously the objectives of providing a floor for the food-grain prices, procuring stocks without undue restrictions on the traders, and curbing the stock-building propensity and the stock-building capacity of the traders.

Gradually both the producers and the traders understood the clever manipulation of the free market forces by the Punjab Government. The producers realized that if the government had not entered the market, the prices would have been higher. The traders felt that in the absence of an assured minimum price offered by the government supplies would have been available to them at much lower prices. As a matter of fact, in Moga, there was even a 'hartal' declared by traders for one day apparently against the delayed payments for government purchases but virtually against the State trading scheme as a whole. Nevertheless, the government has succeeded to a large extent in attaining its objective.

The U.P. State trading scheme, on the contrary, was of just the opposite kind. Probably the intention was to regulate all the normal channels of distribution so as to keep prices within the prescribed range of prices, viz., between Rs. 13 and Rs. 17 per maund in the entire area of the State. It was probably taken for granted that both the producers and traders would be willing to sell wheat to the government at minimum prices and the government did not pause to consider the ways and means of attaining its purposes.

The scheme lacked the subtlety of the Punjab scheme as well as the clarity of objectives. It is not known whether the purpose of the scheme was (1) to stabilise prices within the prescribed range throughout the State and eliminate the gap between the prices in the open market and the prices charged by government, or (2) to procure supplies for government at fixed prices and let the remaining supplies circulate through the normal channels of distribution at open market prices, or (3) to eliminate the wholesale traders altogether from the field of distribution. The U.P. scheme does not appear to have taken into account the realities of the market for foodgrains; nor was proper weight given to the likely repercussions on the market behaviour of traders and producers. The administrative details of the scheme were also not worked out properly. Marketing inspectors were saddled with the responsibility of not only chasing every cart load or head-load of wheat arriving in the market and obtaining 50 per cent of it at the prices fixed by the government but also ensuring that no wholesale transactions were conducted in the markets in respect of the remaining 50 per cent of the produce at prices higher than prescribed prices. It is obvious that the senior marketing officers, with a total strength of two or three or at the most five persons, were hardly able to enforce the law in the markets.

The inevitable consequence has been that the U.P. Government's State trading scheme has failed to achieve any result, at least in the markets surveyed by us. Wheat arrivals in these markets have dwindled to negligible quantities. Supplies have been brought only secretly and sold at prices higher than those laid down by law. Every person associated with the foodgrains trade has been forced to resort to fraudulent practices in order to evade the law. Two wholesale prices have come to prevail in the market.

the black market price and the legal price. The gap between the two prices has tended to widen during the months of May, June and July, and the total quantities available to the government have been insignificant. Only about 1,500 maunds in Hapur and about 2,000 maunds at Chandausi were procured up to the time of our survey.

No doubt the U.P. Government has succeeded in preventing the wholesale traders from building up stocks of wheat for speculative purposes. But this has been achieved without the government having procured sufficient stocks to be able to supplant the wholesale traders. The stocks have stayed largely with the producers. In the absence of sufficient stocks with government for distribution, wheat prices are more or less the same as they would be if the wholesale traders held stocks. However, in the process of eliminating the wholesale trader, the existing channels of distribution of wheat throughout the State have been dislocated without the government having ensured the smooth functioning of the machinery of distribution during the most crucial post-harvest months. The movement of wheat supplies has been inadequate so that pressure on government fair price shops has continued unabated in most parts of the State. The prices in the retail market have also remained somewhat higher during the immediate post-harvest period, contrary to all expectations.

On the other hand, the Punjab Government has not only maintained the normal functioning of the wheat market but has also been able to procure almost as much wheat as it had planned. By 2nd July, 1959, it was able to purchase the bulk of the supplies it required and thereafter it left the market free for the traders, who have subsequently built up stocks. The prices of wheat during the period of government purchases as well as after have remained steady, although towards the end of July as a result of the onset of the monsoon and the consequent decline of arrivals, they are reported to have gone up a little.

The U.P. State trading scheme would have probably yielded better results if it had been timed differently and if the control measures had been enforced after the bulk of the supplies had arrived in the markets and the traders had built up sufficient stocks. In our opinion, the scheme is defective on the following grounds :

- (1) The prices fixed should have more closely corresponded with the prices actually prevailing in the market during the harvest period, which should have been ascertained. This was absolutely necessary because no preparations had been made for launching upon full-fledged price control in respect of foodgrains throughout the State.
- (2) The levy should not have been imposed on *kacha arhatiyas* and commission agents, who are mere small intermediaries between the producers and bigger purchasers. In fact, *kacha arhatiyas* should have been treated as delivering agents and a small commission paid to them for their services. Collusion of *kacha arhatiyas* with wholesale traders could have been prevented by proper administrative vigilance. Treating the *kacha arhatiyas* as a vital part of the machinery of government purchases would have served the same purpose.

- 

सत्यमेव जयते

The Hapur Market—U. P.

THE ENQUIRY

The enquiry into the state of wheat arrivals in the Hapur market during the current post-harvest period was conducted on the basis of three separate schedules. The first was for the market as a whole and the data for it were collected from both official and non-official agencies operating in Hapur. The other two were for collecting illustrative data from selected traders and producers. Sixteen traders, (both *kacha* and *pucca arhatiyas*) and 51 producers from 8 villages around Hapur were interviewed in the course of the enquiry. The purpose of these case studies was to obtain a more firm basis for the observations based on the general survey.

The enquiry was conducted under certain limitations. Firstly, it had to be conducted within a very limited period of time. Secondly, any quantitative enquiry into production, arrivals, stocks, disposals, etc. in the existing context usually provokes overt or covert resistance among the traders as well as the producers. While the informants did not withdraw their co-operation, their replies were far from precise and generally tended to be vague and evasive. Bearing these difficulties in mind greater emphasis was placed on qualitative information of sufficient reliability without relaxing our effort to obtain quantitative data.

The aim of the enquiry was to broadly establish the fact of high or low wheat arrivals in Hapur and to locate and appraise the factors that had decisively influenced the flow of arrivals. Specially relevant was to pinpoint those sections of the community, whether producers or traders, whose market behaviour had been chiefly responsible for the market situation and to analyse whether the motivations have been different this year as compared with last year. Lastly, we had to ascertain to what extent the changes in the market situation were a consequence of the State trading scheme recently introduced by the government.

SECTION I

INTRODUCTION

Hapur as a wheat mandi

Hapur has traditionally been known as an outstanding market for wheat, gur, oilseeds, and other foodgrains in Northern India. It is reported to have an underground storage capacity of wheat alone to the tune of about 16 lac maunds. The local supply of wheat from the villages and markets in the vicinity of Hapur and the heavy imports from Punjab and other neighbouring districts during the post-harvest period appear to have given Hapur the reputation of a leading assembling centre for wheat and a supplier to distant consuming areas like Bengal, Bihar, Madras etc., during the off-season.

It is noteworthy, however, that according to the Senior Marketing Officer and some leading traders, the importance of Hapur as a wheat mandi has steadily been on the decline during the last one decade or so, caused by several factors. The stoppage of wheat imports from Punjab and a shift towards sugarcane production in the area around Hapur were mentioned as the most important causes by most of the persons.

It is not possible either to confirm or contradict the magnitude of decline in the importance of Hapur as a 'mandi' for wheat. But, if the figures of wheat arrivals for last four years are any indication, a substantial decline of wheat trade in Hapur is evident.¹

SECTION II

WHEAT ARRIVALS IN THE HAPUR MARKET

Before examining the position of wheat arrivals in Hapur during the current season, it is necessary to comment, very briefly, on the wheat production in the area around Hapur since the latter evidently has an intimate bearing on the former.

Wheat production in 1958-59

The data both for Tehsil Hapur as well as for Meerut District as a whole show a significant overall increase in the area under wheat cultivation. Further the production data for District Meerut indicate an increase in per acre yield of wheat this year as compared to last year.² The information collected from 51 producers in the villages around Hapur does not fully confirm the above observation. They reported some decline both in the area under wheat as well in the average yield per acre. We may point out, however, that producers holding 10 acres or less reported a significant increase in per acre yield this year as compared with last year.³ It was quite evident that the producers, specially the big and medium producers, generally tended to under-report the area under wheat and also the outturn. On the whole, it appears that there could not have been a significant decline in the wheat area within two consecutive years.

Of the 24 informants including important traders and relevant government officials in Hapur, 15 were of the opinion that the production of wheat had increased by about 10—15 per cent this year compared with last year.

¹The figures recorded for 1954-55 show that the total arrivals of wheat from April, 1954 to March, 1955 came to only 2,11,970 mds. (source, S.M.I., Civil Supplies). The maximum stock of wheat during this year was only 87,750 mds. in the last 2-3 days of June and the first week of July. During the last three years, it was reported, the average wheat arrivals were slightly more than 1 lac. mds. per year. Thus apart from meeting the consumption requirements of Hapur town and area, there was evidently not much margin left for substantial wheat stock-building.

²The wheat area in Tehsil Hapur had shown a significant increase from 35,005 acres in 1957-58 to 44,860 in 1958-59. This was coincident with a general increase in the total cultivated area to the extent of 74,601 acres during one year. The wheat area figures for District Meerut also show an increase of 4,496 acres this year over that of last year.

³See Table No. 1 in the Appendix given at the end of the Report on the two States.

Another six estimated the crop this year as equal to that of last year. The remaining three held that it was smaller. In the opinion of the seed store authorities the successful recovery of the seed loans from the farmers indicated that wheat production this year was normal.

On the whole it would be correct to conclude that wheat production in the villages around Hapur was, in no way smaller, but was probably larger, than that what it was last year.

Flow of wheat arrivals

It is generally conceded that the arrivals of wheat during the harvest season this year have, however, been abnormally low. Arrivals in the open market have been almost negligible after the promulgation of the Price Control Order and the Wheat Levy Scheme.

Table No. 2 given in the Appendix shows the weekly arrivals of wheat in Hapur upto the 1st week of May for the years 1957-58 and 1958-59 respectively.

It is evident that the rate of arrivals was slower in the first two weeks of April this year and then slackened off. The overall arrivals during these 5 weeks were undoubtedly lower this year.

Slowness of arrivals may be explained by many factors. The experience of abnormal rise in the prices of wheat in the off-season last year, coupled with the uncertainty about the kharif (maize) crop, which had been adversely affected during the last three consecutive years appear to have induced the small subsistence-producer to hold stocks. The big producer, on the other hand, was induced to withhold supplies to a greater extent this year on the expectation of high prices. Thus for different reasons all sections of producers were in no mood to rush to the market for disposal of their crop immediately after the harvest. Moreover, pressure of cash experienced by the producer just after the rabi harvest seems to have been met this year partly by the sale of gur and sugarcane. The arrivals of gur in the market had shot up from 4 lakh maunds to about 10 lakh maunds during the harvest season this year.

An abrupt change in the flow of arrivals occurred with effect from the second week of May, 1959. The break occurred precisely at the time when there is normally a marked upward trend in the rate of arrivals.

The following table shows the weekly arrivals of wheat during April, May, June and July according to government sources, S.M.I. (Civil Supplies) and S.A.M.I. (Agriculture Department), Hapur.

YEAR 1959

Month	Weeks	Source of Data	
		Senior Marketing Inspector (Civil Supplies Department)	Senior Agricultural Marketing Inspector (Agriculture Department)
(1)	(2)	(3)	(4)
April	1	225	200
	2	1,295	1,800
	3	1,500	3,050
	4	2,750	1,750

YEAR 1959—contd.

(1)	(2)	(3)	(4)
May	1	2,100	2,500
	2	149	..
	3	182	..
	4	..	..
June	1	..	65
	2	158	25
	3	..	..
	4	..	..
July	1	..	..
	2	25	..
TOTAL		8,384	9,390

It may be added that during our field-work from July 12 to July 23, 1959, there were no wheat arrivals in the open market. The violent disturbance in the flow of arrivals is strikingly indicated by the data obtained from both the official sources. Even the small arrivals in the 2nd and 3rd weeks of May recorded by S.M.I. (Civil Supplies) were in fact arrivals in the black market located by him.

On the basis of these facts it is difficult to resist the conclusion that there was more or less complete stoppage of the movement of wheat from the producer to the market as a result of the Price Control Order and the Wheat Levy Scheme enforced by the U.P. Government on 4th and 5th May, 1959, respectively.

This conclusion is further corroborated by the fact that there was a sudden, though temporary, diversion of arrivals to the neighbouring feeder markets where the scheme was enforced with a time lag of three or four days. Immediately as the official machinery went into action in these mandis, the same situation developed there as in Hapur in respect of wheat arrivals.

What has been emphasized above is the more or less complete stoppage of arrivals in the open market. It is estimated by several sources, including the government officials, that the supply in the black market may be placed at about 250—300 mds. on an average per day. The demand of the consumers for immediate consumption as well as precautionary stock-building is being met by these arrivals in the black market, supplemented by the supply of 270 mds. per day from 9 fair price shops in Hapur.

SECTION III

CAUSES OF LOW ARRIVALS

State trading scheme as a factor

The most disturbing element in the State Trading Scheme was the Price Control Order. According to this Order the prices of wheat were fixed at Rs. 13, 14, 15 per maund for red variety, white variety and farm superior variety respectively. Wheat produced in villages around Hapur was generally of the white variety, the price of which was fixed at Rs. 14 per maund. The price of wheat in the open market was around Rs. 17.50 per maund for fair average quality according to the S.A.M.I. and Rs. 16.50 per maund according to *Vyapar Samachar* and *The Hindustan Times* during the days when the Scheme was enforced. Thus the procurement price was less than the open market price by Rs. 1.50 to Rs. 3 per maund. During the same dates the price of peas was about Rs. 12 per maund. There was only a slight difference of Rs. 2 per maund between the price of wheat fixed by the government and that of peas in the open market. Thus considering the price parity of foodgrains prevailing in the market, the price fixed for wheat was unrealistic.

The entry of the government into the market was ill-timed and most inopportune. It may be remembered that the consumer had the first charge on the fresh arrivals, as usual. The trader was yet to step into the market and waited for the consumer's demand to be met and for the price to be stabilised. The expectation was that arrivals would be normal and the market price would register a decline. It may also be mentioned that the stock of wheat with the trader on 5th May was only 1,500 maunds and this too in all probability was for immediate disposal. As a result of the enforcement of the scheme the arrivals, so to say, were nipped in the bud.

The way in which the scheme was enforced also aggravated the situation to a great extent. It was on the morning of 5th May, 1959, that the Senior Marketing Inspector, under orders from the U.P. Government and aided by the Police and revenue officials of the Tehsil all of a sudden raided the market. All the opening stocks with the traders were checked, their registers scrutinised, and 50 per cent of the wheat stock seized at fixed prices. Even small traders holding only two maunds were not spared. This caused great panic among the traders (including the *kacha arhatiyas*) and a sudden disturbance in the market. The panic in the market had its repercussions in the rural areas as well. Producers who brought their wheat to the market within two or three days of the enforcement of the scheme either took it back to the villages or sold it outside the mandi in the black market. These transactions were reported to have been arranged for them by the *kacha arhatiya*.

Effects of the scheme

The chain reaction of the various factors may be summarised as follows :

- (a) The abrupt break of wheat arrivals in the open market was the first consequence culminating in more or less complete stoppage of wheat arrivals.

- (b) Whatever quantities trickled into the town were in the black market. Closely connected with the disturbance of the open market and the emergence of the black market in wheat were certain significant changes in the pattern and character of wheat transactions.

The sales of wheat shifted to some extent from the mandi to the villages. Purchasers from the towns (consisting of consumers or small traders or their agents) were reported to be rushing to the villages in the neighbourhood to purchase wheat for local consumption. The situation is said to have been specially favourable for the mushroom growth of small traders recruited from the ranks of the enterprising and unemployed persons in the town. They seem to have formed in many cases a new link connecting the producer with the consumer.

- (c) The logical consequence of the absence of arrivals in the open market against the background of last year's price rise was the upward pressure on the wheat prices. The demand of the consumer rather than of the trader for stock-building was the main force behind this upward pressure. There were now two prices for wheat in the market—one fixed by the government and the other actually prevailing in the market. While the former remained a fictitious price, the latter (*i.e.*, the market rate) shot up from Rs. 16.50 or so per maund to Rs. 19 to 20 in the next few days after the enforcement of the scheme.
- (d) The failure of the government scheme of procurement of wheat at controlled prices was inseparably connected with the absence of normal wheat arrivals. The wheat procured by the U.P. Government in Hapur from 5th May upto the last date of this enquiry, *i.e.*, 23rd July was 1,523 maunds 20 srs. 7 ch. This is inclusive of the stock of 500 maunds with the Cooperative Union Shop which was later exempted from the Levy Scheme by an Order of U.P. Government. Thus the total stock with the government comes to only 1,023 maunds 20 srs. and 7ch. in Hapur which obviously is a negligible fraction of the normal arrivals of wheat. A statement showing procurement on different dates has been included in the Appendix (*see* Table No. 3). It is worth mentioning that whatever procurement was recorded after 5th May was not in respect of the open market arrivals but in respect of the black market wheat seized by the Senior Marketing Inspector. The abnormally low procurement itself set a vicious circle into motion.

The local marketing staff came in for severe criticism from the higher authorities for their failure to push up procurement. Their efficiency came to be judged by the volume of total purchases made by them. In sheer desperation and presumably under orders they redoubled their efforts to seize whatever stocks they could lay their hands upon. In some cases they procured even very small quantities which were outside the scope of the Wheat Purchase Scheme. This in turn further aggravated the situation. Whatever wheat otherwise came on the open market was further driven away into the black market.

Diverse and ingenious ways were devised by the dealers to circumvent the government scheme. As stated earlier the marketing staff released 50 per cent of the stock after procurement to traders for retail sale at whatever prices they liked. This part of the supply could not be exported to deficit areas, firstly, because it was too small, and secondly, because it was dispersed among a number of traders. This released stock, however, became a very handy tool in the hands of these traders from whom stocks had been seized for black market transactions. It was reported by the Senior Marketing Inspector, Hapur, that wheat transactions in the black market were to a large extent taking place under cover of this released stock. The trader kept in his shop an amount of wheat which was slightly smaller than the amount released to him and avoided entering its disposal in his register of daily sales. Thus despite the sale of several maunds of wheat every day the released stock remained intact, due, as it were, to black magic.

SECTION IV

LOCATION OF STOCKS : ROLE OF THE PRODUCER

For various reasons, despite the black market in wheat, there is no likelihood of substantial stocks being held by traders for trade purposes. Firstly, there is an uncertainty in the market about the future price of wheat. Secondly, traders have to reckon with the vigilance and strictness of the marketing staff. While the Price Control Order discouraged the farmer from bringing his produce to the market, the Wheat Purchase Scheme, by making it incumbent on the dealers to sell 50 per cent of their purchases to the government at controlled rates, discouraged them from large-scale stock-building. The freezing of the peas and grain stocks by the U.P. Government last year was fresh in the trader's memory and also acted as a deterrent to any stock-building in wheat.

It is extremely difficult to estimate with any accuracy the volume of arrivals of wheat in the black market. As a very broad and rough approximation, the total supply in the black market (including the wheat bought directly from the villages by city purchasers) was estimated at 25,000 to 30,000 maunds during the season by the marketing officials and some traders. Thus upto the last week of July the total arrivals of wheat in Hapur can very roughly be placed at 35,000 to 40,000 maunds. As stated earlier, on the basis of a conservative estimate the total wheat supply to the Hapur mandī was expected to be at least in the neighbourhood of 75,000 to 80,000 maunds during the post-harvest period this year. This leaves a gap of about 40,000 maunds the absence of which from the market needs to be explained.

Of the 34 informants covered by our enquiry in the mandī almost all were of the view that the producers (specially the big ones) were holding back their produce. This view was confirmed even by the official agencies operating in Hapur. The first-hand investigations conducted by the study team in the villages of Hapur further corroborated this view. It became also clear that the cases in which the producer was holding the produce on behalf of the traders were few and far between.

As has been stated earlier, the flow of arrivals even before the introduction of the scheme was slow this year. The immediate effect of the State trading scheme was to accentuate the impact of the factors which were already operating in the market. The stock-holding propensity of the producers received a powerful impetus. The tendency to hold wheat was further strengthened by the fact that producers as a whole earned more from the sale of gur and sugarcane in the period immediately preceding the rabi harvest. Their cash resources were further supplemented by the sale of peas, arhar and mustard during the post-harvest period. In a few cases it was also reported that the farmers had taken loans with a view to retaining their wheat stocks this year. It is difficult to say to what extent loans taken from the cooperative societies had influenced the holding capacity of the producers, though it was reported that such loans had registered an increase this year as compared to last year. That the absence of normal wheat disposals in the market did affect the cash position of the producers is, however, clear from the fall in the revenue received this year as compared with last year.¹ It was also reported that in the very beginning of the season the government seed stores bought seeds from the farmer at open market prices. This might also have contributed, though to a small extent, to raising expectations of a higher price of wheat.

It may be pointed out, however, that the holding capacity of all classes of farmers is not the same, though the desire to hold wheat produce was common to all sections of farmers. The small farmers are said to have sold wheat either in the village or in the black market after making greater provision for their seed and consumption requirements. The extent of the stocks of the small producers is difficult to estimate. But, undoubtedly, they are not very large.

We cannot entirely rely on the figures of production and sales supplied by the farmers. But the data pertaining to the volume of wheat sold during 1957-58 and 1958-59 by farmers covered by the enquiry² shows that the total proportion sold during the post-harvest period this year is smaller. This tendency is common to all classes of cultivators surveyed. But the information supplied by farmers belonging to the lowest size-group appears to be nearer the truth than that supplied by the bigger cultivators. This impression is substantiated by the data on the proportion of wheat sold during post-harvest period and the off-period last year as compared with the statistics for this year.³ The percentages of produce sold during the post-harvest period and the off-period last year were 52.1 per cent and 47.9 per cent respectively, while for this year the corresponding percentages were 43.5 and 56.5 for all classes of cultivators surveyed. The information supplied by the small producers appears to be much more reliable. They had sold almost all the wheat during the post-harvest period last year. This year they sold only 54.5 per cent and kept 45.5 per cent mostly for seeds and consumption requirements. The medium producers, on the other hand, reported a higher proportion of sales this year. This is incredible in the face of facts. The big producers, on the other hand, reported only a slight

1. Out of Rs. 5,52,438.6 nP. revenue due for Rabi upto September, 1958 the total revenue received upto 15th July, 1958 was Rs. 4,26,491.75 nP. On the other hand net revenue due for rabi for the corresponding period (remission excluded) was Rs. 5,75,627.21 nP. out of which revenue received upto 15th July, 1959 was only Rs. 3,79,627.7 nP.
2. See Table No. 4 in the Appendix.
3. See Table No. 5 in the Appendix.

increase in the proportion kept as stock for sale in off-period. This is a gross under-statement of the position.

From what we have said above it appears that it would not be safe to conclude that all the producers have retained the produce which normally would have arrived in the market. While the small and to some extent also the medium producers have held stocks with a view to making a larger provision for seeds and consumption, the big producers who alone have substantial holding capacity have withheld their supplies because of the uncertain conditions prevailing in the market.

SECTION V

STATE TRADING SCHEME AND ITS REPERCUSSIONS

The reactions of the traders and the producers to the State Trading Scheme may briefly now be summarised.

The farmer does not appear to be opposed to the principle of State trading as such but only to the lower prices fixed. Some of the informants were sceptical about State trading because of their experience of the functioning of other government agencies concerned with the Canal Water Supply, tube-well water-supply, and the running of Seed Store. There was bitter opposition to the scheme particularly from the *kacha arhatiyas*, because their business had evidently suffered as the result of the State trading scheme. The extent of the loss during the season as reported by the informants, varied from about 15% to 50%, depending on the extent of their dealings in wheat.

Almost all sections among traders were opposed to government restrictions which in their opinion, only disturbed the market. They vigorously expressed themselves in favour of a 'free market'. Some of them also proposed that the government should make purchases at the open market price through its agents appointed from among the traders. A fairly large section of traders was of the view that the government should fix a reasonable price for wheat and announce its readiness to enter the market any moment. This, in their opinion, would have the effect of checking the price rise. Some of them even suggested that the government should impose limits on the period over which stocks may be held and the maximum stocks which may be held and that otherwise the market should be free.

The U.P. State Trading Scheme has failed to achieve its objectives. If its main objective was "to narrow down the difference between the price paid by the consumer and received by the farmer", the very opposite of it happened in Hapur. The price of wheat shot up in the open market immediately after the scheme was enforced. The emergence of the black market, far from narrowing down the difference between the prices paid by the consumer and received by the farmer, in fact, widened it.

If the objective of the scheme was to build up government stocks with a view to "maintaining the supplies of wheat and for securing its equitable distribution and availability at fair price", this too was defeated, at least

in Hapur, as is clearly demonstrated by the negligible figures of procurement.

The exclusion of *kacha arhatiyas* from the levy scheme at the outset, led to complete failure of government purchases. Since the hands of the producer and of the *kacha arhatiya* were free transactions shifted from the mandi to the lanes and houses of the city. The subsequent inclusion of the *kacha arhatiya* in the scheme served to disrupt the only available marketing agency without creating any alternative agency to replace it. There was only one Cooperative Union Shop under the Agriculture Department which undertook the business of the *kacha arhatiya*. The tragedy of the situation was that even this institution which was supposed to develop as an alternative marketing agency fought for exemption from the wheat levy scheme and finally won it. Thus not only was the scheme a failure in the short-run but its usefulness from the point of view of long-term objectives was also questionable.

Chandausi Market—U.P.

OBJECT OF THE ENQUIRY

The object of the enquiry was to find out the rate and pattern of wheat arrivals in the context of the high levels of production reported during the current rabi harvesting season.

Chandausi is a major wheat market of U.P. fed by a large area comprising nearby villages in Bareilly, Badaun, Rampur and Moradabad districts. A significant feature of this market is that besides receiving arrivals of agricultural produce from producers directly, on a considerable scale, it is also linked with many small feeder markets, which daily send large quantities to Chandausi for assembling and sale.

Information was collected from three major sources, viz., traders, producers, government officials and other knowledgeable persons in the market. We collected not only quantitative data but also the opinions expressed by different informants. The main findings of the enquiry have been summarised below. Statistical data have been given in the Appendix.

Arrivals

There was a general consensus of opinion that the arrivals of wheat in the current harvest season (April to mid-July) were definitely lower than in the corresponding period last year. Variations in the estimation of the degree of decline were, however, considerable. According to the Senior Marketing Inspector, arrivals during the current season were only 51.8% of arrivals in the same season last year. But the data collected from selected traders show that arrivals this year were a mere 13.9%. This appears, to be an underestimate. It is significant, however, that even data collected from producers show a decline—and a large decline—of sales of wheat during the current season, sales by producers this season being only 60.9% of sales last year.

Causes of low arrivals

As to the causes of low arrivals, there are a number of factors bearing on the situation. In the first place, contrary to expectations, our findings do not show that there has been any significant increase in the production of wheat in the region around Chandausi during the current season. Actually, according to data collected from producers, one finds a decline of 8.5% in wheat production this year as compared to last year. Views expressed by government officials and knowledgeable persons on this point were conflicting. Five of the 15 informants held that there was an increase in production, another 5 held that there was a decrease and the remaining 5 felt that there was not much change one way or the other. However, it is interesting to note that estimates of decrease of production ranged between 12 and 40 per cent while the estimates of increase ranged between 2 and 25 per cent.

Some part of the decline in arrivals may also be due to under-reporting of arrivals. We were informed that some arrivals of wheat were not passing through the usual trade channels but were secretly diverted by *kacha arhatiyas* to consumers and retailers without the *pucca arhatiyas*, coming into the picture. This was done to avoid imposition of the levy. To this extent arrivals this year were under-estimated. However, such under-reporting was not large. On an average it was reported that only about 200 maunds of wheat per day were arriving in the market in this manner.

It was also disclosed that part of the arrivals was being diverted to other subsidiary markets and village *painths* (weekly markets), with a view to evading the compulsory levy. There were no levy enforcement authorities permanently posted in these markets. Many informants, however, did not confirm this piece of information. They pointed out that even though the levy authorities were not posted in these areas, there were frequent random checks all over the area, and they were quite effective.

The question therefore is as to why the producers have not been selling wheat this year in usual quantities. Production was reported to have declined. But even allowing for this, and according to the producers themselves, sales in the current season were unduly low. The producers reported that sales this year were 13.7% of their produce, as compared to 18.0% last year. Stocks reported by them also stood at 86.3% of the total produce at the time of the survey whereas the corresponding figure for the last year was 82.0%.

Increased availability of cash with peasants

The causes of the increase in stock-holding by the producers were reported to be several. One important reason was the improvement in the availability of cash. The major source of the increased supply of credit was the cooperative societies. The cooperative societies serving the area around Chandausi reported an increase of as much as 64.4% in the credit supplied to the peasants this year as compared with last year. In view of the greater reliance on the cooperative credit society for many of his cash requirements, the producer was no longer selling under duress.

The cash position of the producer was further strengthened by his ability to sell crops other than wheat at higher prices and in larger quantities. These crops are generally brought to the market somewhat earlier than wheat. Thus, while arrivals of wheat were unanimously reported to be

low, in the case of gram, gur, peas, groundnuts and arhar, large increases in arrivals were reported this year. With the prices of these commodities rising at the same time, the producer could meet a good deal of his cash requirements without being obliged to sell wheat. From the data provided by the 'Sahkari Kray-vikraya Samiti' (Integrated Cooperative Marketing Society) it was found that while arrivals of wheat at their shop had fallen this year by 14.8%, arrivals of rab, arhar and peas had risen by as much as 139.3%, 54.1% and 13.6%, respectively. As a matter of fact, it was the general opinion of traders dealing in these commodities that the arrivals of commodities other than wheat had been much higher in the current harvest season than during the same period last year. The data collected from producers also indicate that their income through the sale of sugarcane products had risen by as much as 15.0%. This estimate of the situation was not fully substantiated by the Senior Marketing Inspector's records which show only a small increase in arrivals of peas (by 9%), and a negligible decrease in the case of arhar. However, even the Senior Marketing Inspector held that the arrivals of gur and groundnuts had risen. In respect of gram also, the figures supplied by him showed a large increase in arrivals. In any case the prices of these commodities had risen substantially. In case of rab, while in the peak season (January-February), prices last year had ranged between Rs. 11.00 and Rs. 13.75 per maund, the range this year was between Rs. 16.00 and Rs. 19.00. In case of arhar, during last year's peak period (May), prices ranged between Rs. 10.95 and Rs. 13.75, while this year the range was between Rs. 14.50 and Rs. 18.82. Similarly in the case of peas prices last April (peak season) ranged from Rs. 9.50 to Rs. 10.00, while this year they ranged from Rs. 11.43 to Rs. 12.07. It appears therefore, that even if the arrivals of these commodities had not risen very much, the farmers obtained a good deal of cash because of higher prices. The producer was thus in a better position to hold stock of wheat.

The question, however, still remains as to why the producer had a tendency to hold wheat in stock and not offer it for sale.

Crop expectations

A large majority of producers interviewed were of the opinion that an important reason for stockholding was the larger provision this year for consumption requirements in the later part of the year. Failure of kharif crops last year was a determining factor of this decision. Moreover, the onset of the monsoon was delayed this year as well and at the time of our investigation the peasants expressed a fear of the failure of kharif crops again this year. They also held that even if the crops did not fail, late rains would mean late sowing and late harvesting, and hence the period of their dependence on wheat reserves would be prolonged. It was thus widely felt that in case the kharif crops proved to be good, a good part of stocks presently kept with producers for personal consumption would come on the market.

An important inducement to hold stocks of wheat was the tendency for prices to rise and the expectation of a continued rise. The peasant felt that the procurement price was the minimum guaranteed to him. The likelihood, therefore, was only of an increase in price and not a decline. Hence he could easily wait and see. This tendency was further reinforced by his experience last year of having to purchase grains at higher prices

for farm and family requirements during the later part of the year. The producer was not prepared to face a similar ordeal this year.

Wheat was particularly selected for stockholding, because crops other than wheat were not subject to price control. Their prices had risen and the difference in relative prices of wheat and coarser grains had narrowed down, with the result that the peasant was reported to have increased his reserves of wheat for consumption in place of coarser grains.

Moreover, the producers were not satisfied with the procurement price fixed by the government which according to them was too low. They also complained that while the prices of their own produce were kept down, no guarantee was given to them against a rise in the prices of various production and consumption goods purchased by them.

State trading operations

Another cause of low wheat arrivals appears to have been State trading as enforced through the Wheat Price Control Order, 1959, and the Uttar Pradesh Wheat Procurement (Levy) Order, 1959.

It was found that although wheat arrivals had been lower than last year throughout the harvest season, the decline was particularly steep after the Levy and Price Control Orders had come into operation, that is after May 5, 1959. Last year, as much as 51.4% of the total arrivals in the season (during April, May, June and July) had come on the market in April. This year the corresponding figure was 74.3%. During the next three months, the percentages of arrivals to the total arrivals in the season last year were 31.7%, 11.6% and 5.3%, respectively. This year the corresponding figures were 22.4%, 2.9% and 0.4%. It may be noted that while the fall in arrivals this year compared to last year during April was of the order of 26.7%, it was of the order of 64.2% in May, 87.2% in June and 93.8% in July this year.

The main reason for this steep decline was that the price of wheat ruling in the open market prior to the enforcement of Price Control was higher than the levy price fixed by government. The difference was about Rs. 2.19, and after the promulgation of the Orders it became wider till it reached the figure of Rs. 4.00 by mid-July. The producer thus felt that he was being forced to market 50% of the produce at uneconomic prices. The situation was progressively aggravated as the price differential increased after the imposition of the levy. Strictly speaking, the levy was imposed only on the licensed dealers. But they were merely commission agents and they could not bear the loss on 50% of supplies coming to them. Therefore, the incidence of the levy was transferred to the producer, who was reluctant to bear it in view of the higher price that he could get in the black market or expected to get in the later part of the year.

There was one difficulty expressed by those of the *pucca arhatiyas* who were commission agents to outside traders. The government did not pay them any commission on the supplies surrendered by them as levy, while their principals wanted to pay commission charges only on the supplies received by them. The producer felt that while he was being compelled to sell half of his produce at prices lower than what he could get in the open market, later he may have to repurchase wheat at higher prices as he did last year. With his stronger cash position he could very well afford to hold back supplies.

The officials of the Cooperative Marketing Society's shop at Chandausi complained that they were at a special disadvantage in that while private traders could afford to evade the procurement rules through manipulation of their records, it was not possible for the cooperative society to do so, as it is a semi-official organisation. The producers were not expected to come to the cooperative shop and give 50% of their supplies to the government at lower prices, when alternatively, they could have gone to the private trader, and avoided the compulsory levy wholly or partially. The society officials were of the view that the society should be in the category of producers and should not be made subject to the compulsory levy. They had also not yet delivered any part of their arrivals or stocks to the Government under the procurement scheme since they had approached the higher government authorities for the exemption of the society's shop from the operation of the levy.

Certain administrative difficulties were also reported in the working of the procurement scheme. It was pointed out that payment for procured supplies was very much delayed. The delay affected the turnover of short-term capital of the traders, often to their great disadvantage. Another difficulty reported was that often in order to show a good record of their own performance, the procurement officials even collected levies from small sellers (selling less than 10 maunds) when actually they were exempt under the rules.

Effects of low arrivals

The effect of low arrivals seems to have been on the stocks with traders in the first place. It was found that while arrivals during the season stood at 51.8% of what they were last year, stocks were sometimes as low as only 1.6% of stocks held by traders last year at this time and stood at no time at more than 12.4%. As a result of low arrivals most of the wheat has gone into sales for current consumption. This means that if the situation does not improve in the later months of the year, things may become worse. During the harvesting season stocks should have accumulated with traders for sale in future, but this does not appear to have happened on an adequate scale.

Some of the traders held that low stockholdings was also partly due to the prevailing uncertainty in regard to government policies. In view of governmental intervention in wheat trade and the expectation of traders that it would grow, they seemed to have a marked tendency to shift their resources to trading in other commodities as far as possible. Large arrivals of gur, peas, etc., which have been already mentioned, compensated to some extent for the loss of business suffered by traders on account of lower arrivals of wheat.

Certain subsidiary effects of low arrivals have been the growth of unemployment amongst employees in the market like *palledars*, etc., loss of income suffered by the local bodies, reduced sales of consumer goods, etc.

Conclusion

In the light of our Chandausi survey it appears that State trading was an important but not the sole factor explaining low arrivals of wheat. We have seen that even during April, when State trading had not started, arrivals this year were only 26.7% of what they had been during the same month last year. However, the fall in arrivals relatively to last year was

much more steep in the subsequent months. This suggests that State trading operations were accentuating the unfavourable trend of arrivals.

To a certain extent low production of wheat in the neighbouring areas might have been a cause of smaller arrivals. But it appears, that a number of factors were influencing the psychology of the peasants towards greater stockholding. Some of these factors were of a general nature while others were the outcome of governmental policies including State trading. As regards general factors, crop expectations were reported to be a major factor. Failure of kharif crops last year leading to abnormally high prices at which repurchases had to be made, coupled with late rains this year, induced the peasant to build up particularly large reserves for consumption. His early sale of commodities other than wheat on a larger scale than last year and at better prices brought him a good part of the cash lack of which would have otherwise induced him to part with wheat. There was also the impact of the speculative motive, specially of big farmers, induced by the secular trend of rising prices.

Out of the three factors enumerated above, viz., fear of kharif failure, increased availability of cash and price expectations, the latter two were greatly strengthened by the various governmental measures. The liberal credit policy of the cooperatives strengthened the producer's cash resources. The Price Control Orders insured him against a fall in prices. Furthermore, the narrowing of the differential between the prices of wheat and the prices of coarser grains, resulting from governmental operations in respect of wheat alone often induced the peasant to increase his consumption reserves of wheat in place of those of coarser grains. Government intervention also led to a scarcity psychology, inducing the producers to expect, and wait for, higher prices. With State trading coming into operation, in the way it did, it became a cumulative deterrent to wheat arrivals in the market. Arrivals being low, prices in the open market rose further, causing the differential between retail and controlled prices to increase, and thus, in turn, further making the procurement prices unattractive to the producer.

The conclusion, therefore, is that State trading, far from improving the situation, actually aggravated it. The exclusive nature of state trading in wheat led to wide price disparities amongst different grains which seriously dislocated the pattern of trade and price expectations with regard to different agricultural commodities. The exclusion of small transactions from price control was a big loophole in the scheme since there was a large scope for evading the compulsory levy and price control orders. On the other hand, there was hardly any administrative machinery on which the government could rely for procurement of wheat in preference to the traditional private channels of trade. Actually State trading only led to the disruption of the existing trade channels. The government seized half the stocks but did not pay any commission on them to dealers who were simply commission agents. By placing the *kacha arhatiya* at par with the *pucca arhatiya*, it failed to make a proper use of the services of middlemen who were in direct contact with the producers, even though it did not have any proper alternative agency. The relationship of the State trading organisation with the cooperative marketing societies was unsatisfactory. Though the government hoped to build up these societies as the primary instruments for State trading, yet the society in Chandausi was very keen on being exempted from the operation of the levy restrictions. It desired to be

treated as a producer, because it was a cooperative society entirely composed of producers. The society officials reported that they had not yet handed over any stocks to the government; and it is understood that orders from government for their exemption from the levy scheme have been issued.

Thus, in U.P., State trading operations led to a complete reversal of the objectives of State trading in foodgrains. The strategy recommended by the Working Group on State Trading was that the government should take over wholesale trading in foodgrains gradually, only as and when it had the necessary means to do so, without in the meantime disturbing existing channels of trade which it could not supplant. Instead, the U.P. Government embarked on the scheme without an appropriate organisation for the purpose. And it completely neglected the situation in the market at the time of its intervention. If the government was not prepared to control the market operations adequately, it should have rather adopted other techniques. There was a widespread feeling that it would have been better for the government to wait until the season of arrivals had advanced instead of intervening at the very beginning of the season and affecting arrivals adversely. It was felt that left to itself the market situation would have been much better than what it became as a result of government's intervention.



The Moga Market—Punjab

SECTION I

THE MOGA MARKET AND ITS HINTERLAND

The Moga market lies in the north-east of district Ferozepur which forms the westernmost part of the Jullundur Division of the Punjab State. The hinterland of this market, *i.e.*, Moga *tehsil* is the most fertile part of the wheat belt in the State. The physical characteristics of this area, consolidation of holdings, irrigation facilities, use of improved* techniques of farming and sturdy Sikh jat cultivators have turned the countryside of this tract into one of the richest parts of rural Punjab.

The main market is fed by small *mandis*, *viz.*, Baghapurana, Nihalsighwala, Badni, Ajitwal and Dharamkot. It is served with good means of transport and is linked with Ferozepur, Amritsar, Ludhiana and Bhatinda by pucca roads.

The agricultural statistics of Moga *tehsil* reveal that 91.2 per cent of the total acreage is under cultivation, out of which the area under irrigation forms 60.7 per cent of the total cultivated area, and 55.4 per cent of the total area of the *tehsil*. The insignificant area under culturable waste indicates a very high degree of intensity of cultivation.

A comparative study of the crop pattern in 1957-58 and 1958-59 reveals that area under foodgrains has increased by 28,029 acres out of which 36.6 per cent has been registered under wheat alone. The area under cash crops has also increased. A further analysis of the coverage of the area under some of the important foodgrains and cash crops for the last four years indicates that area under wheat has been progressively increasing. The same trend has been observed in respect of the acreage under cotton. It is important to note that the increase in the area under cotton, coupled with high cotton prices, has a significant bearing upon the agricultural prosperity of the tract and the income of the producers. The cash earnings from the cotton crop, as reported, have tended to strengthen the financial position of the cultivators and have eliminated the need for distress sales of rabi crops, mainly wheat, by the producers during the harvest period. The increase in cotton production has also been reflected in arrivals in the market, which have recorded an increase.

The improvement in the financial position of the cultivators is also evident from the case study of a cooperative society regarding its credit position†. During 1958-59 the loans advanced by the Society comprised 92.7 per cent of its total capital and the proportion of the recoveries was 85.9 per cent, or 92.6 per cent of the amount advanced.

Thus it is evident that the increase in agricultural production and high prices, particularly of cotton and wheat, have strengthened the economic

*There are 184 tractors, and 102 tube-wells besides a large number of persian wheels. The use of chemical fertilizers during 1958-59 amounted to about 1,115 tons.

†The Gill Cooperative Thrift and Credit Society, Gill, Tehsil Moga.

condition of the producers in this tract and, consequently, they are becoming less dependent upon sales of wheat during the harvest period, to meet their cash demands. The substantial producers in the rural areas have been reported to be holding stocks for sale at higher prices in the lean period.

As regards the market situation, 263 *arhatiyas* (both *kacha* and *pucca*), are operating in Moga. The market is regulated under the Punjab Agricultural Produce Marketing Act, 1939. Normally the yearly arrivals of wheat in this market used to be about 10 lakh maunds, of which 2 to 3 lakh maunds were purchased by the local traders. In the recent past, the foodgrains control orders and the movement restrictions on wheat affected the market adversely. The trading community feels aggrieved by the State Trading in foodgrains. The total stocks with the traders this year up to mid July, 1959, were reported to be only about 76,390 maunds of wheat. The stocks with the Government, on the other hand, were about 218,929 maunds.

The declining role of traders in the foodgrains business has further been brought out by their credit position with the scheduled banks. It has been reported that last year, the credit advanced against wheat by the Central Bank of India, Moga, was Rs. 20 lakhs, whereas the total amount advanced this year is only Rs. 6 lakhs.

Another issue which has been influencing the producers' psychology is their demand for price control in respect of non-agricultural commodities*. The producers resent the high prices of non-agricultural goods required by them and feel reluctant to part with their marketable surplus of wheat at present prices.

SECTION II

PACE AND PATTERN OF MARKET ARRIVALS

The data collected from 68 producers belonging to several villages in the hinter-land of the Moga market, show that the area under foodgrains as well as cash crops has increased in 1958-59 as compared with 1957-58. The extent of the increase in area has been 12.6 per cent, 3.3 per cent, 21.3 per cent and 6.7 per cent respectively for wheat, gram, maize and cotton. As regards the outturn of wheat it has registered an increase of 15.2 per cent. It is interesting to note further that the proportion of increase is the highest in the case of big cultivators.

A study of data relating to the production and sales of wheat shows that 49.6 per cent of the total wheat production in 1957-58 was sold in the harvest period and 50.4 per cent was left with the producers. But, in 1958-59 the proportions of sales during the harvest period and the residue with the producers were 40.3 per cent and 59.7 per cent respectively. This means that harvest sales this year have declined by 9.3 per cent, and the residual produce with the cultivators has increased in the same ratio.

*This demand is voiced by the Punjab Dehatri Janta Party which is led by substantial producers in rural areas.

The data further reveal that off-period sales during 1957-58 constituted 10.1 per cent of the total production, while in 1958-59 the stocks kept for sale during off-period have gone up to 20.5 per cent. The quantities kept for consumption and farm requirements appear to be more or less similar in magnitude, i.e., 40.3 per cent and 39.2 per cent of total production in 1957-58 and 1958-59 respectively. Thus, the proportion of the marketable surplus still lying with the producers is 10.4 per cent larger this year.

A close examination of the stocks kept after harvest sales reveals that in 1957-58 the highest proportion of stocks was with the big producers. Amongst this group of cultivators, the amount of stock *per capita* was 104.2 maunds in 1957-58. But during 1958-59 they amounted to 159.7 maunds *per capita*. The proportion of the over-all decrease in quantities marketed during the harvest period, coupled with an overall increase in the stocks kept for sale, and no significant change in the proportion of the residue retained for consumption and other farm requirements, definitely proves the slower rate of flow of wheat supplies from the rural area into the market this year.

The slower rate of wheat arrivals is further evident from the data supplied by the Moga Market Committee. The figures reveal that arrivals have been much lower during the harvest months (April to mid-July) this year as compared to last year. During this period arrivals have declined by 20.6 per cent. Except for the period from 22nd June, to 3rd July, 1959, market arrivals have all along been lower, the extent of decline varying from 10 per cent to 50 per cent. In the early weeks of April, arrivals had declined even to the extent of about 60 to 80 per cent. But from the third week of June onwards the trend of arrivals was reversed.

The slower rate of market arrivals has been further corroborated by the data of one *kacha arhatiya* and one *pucca arhatiya*. Wheat arrivals at the shop of a *kacha arhatiya* during the harvest months this year were 49.6 per cent less than for the same period last year. Similarly, purchases of a *pucca arhatiya* this year have declined by 58.5 per cent during the same period. Despite the diminished flow of wheat supplies, their pattern has remained unchanged. The producers from the rural area have been selling wheat as usual through the *kacha arhatiya* who charges a small commission fixed under the Punjab Agricultural Produce Marketing Act, 1939. The price of the marketed produce is determined by open bidding among the buyers in the market.

Further, no diversion of produce to other markets has taken place; nor have the producers sold wheat within the villages to consumers or to purchasers from towns. They only change that has been reported is a diminished flow of supplies from two feeder markets *viz.* Baghapurana and Nihal Singh Wala, since there also the Government has made purchases under the Punjab Foodgrains (Procurement) Order, 1959.

The pattern of sales is revealed by the data regarding the place, agency and manner of marketing of surplus produce, collected from producers. The figures show that the bulk of wheat has been sold by the producers in the Moga Market, on the dates of arrivals, and through the normal trade channels. It may be noted that the proportion of inside sales has been very meagre *viz.* only 25 maunds out of total sales of 7,633 maunds, this year and 10 maunds out of the total sales of 6,293 maunds last year, and the sales

are only to consumers. The sales have been on the basis of full cash payment. In some cases advances before the harvesting of crops were also reported to have been taken. The proportion of quantities sold against such advances were 21.1 per cent and 29.9 per cent of total sales in 1957-58 and 1958-59 respectively. This mode of sale has been prevalent mainly in a cross section of medium and big cultivators having holdings above 10 acres.

The reasons responsible for low arrivals in the market, as ascertained from different sources, are the following :

1. Producers' expectations of high prices of wheat in later months.
2. Uncertain kharif crop prospects and consequent withholding of wheat by producers.
3. Availability of cash from Government and cooperative agencies and through sale of cash crops like cotton and oilseeds, which has eliminated the need for sale of wheat.

The rate and pattern of supplies have also been influenced indirectly by the Punjab Foodgrains (Procurement) Order in two respects. Firstly, the producers having been indirectly guaranteed a minimum price by the State have felt encouraged to withhold their marketable surplus from the market in expectation of higher prices in future. Secondly, they have resented the underhand methods adopted by the Government officials to control free bidding, without which, in their opinion, wheat would have been sold at higher prices. The traders, on the other hand, discouraged by the freezing of their stocks in the recent past, refrained from entering the market as stockists in the early stages of the harvest season. The government had not announced the details of the State Trading scheme until then. The absence of the traders as bulk buyers, in the opinion of the producers, kept the upward movement of prices in check.

SECTION III

STOCKS

The paucity of official data and the reluctance of the traders to part with relevant information made it difficult to ascertain in detail the position regarding stocks of wheat at different levels. However, it appears that the purchase by government of 28 per cent to 88 per cent of the total arrivals during the months of May, June and early July this year has prevented the traders from building up large stocks. The consequences of this shift in stocks held by Government and traders respectively remain to be seen during the coming winter months. The high proportion of Government purchases to total arrivals in the feeder markets of Baghapurana and Nihal Singh Wala also highlights the significance of the new situation.

The following figures indicate the latest stock position of wheat with the Government :

Stocks with the Government at Moga

	Maunds
I. Stocks on 17th May, 1959	<i>Nil</i>
II. Total purchases of wheat by the government at Moga upto 14th July, 1959	197,844*
III. Total receipts from feeder markets upto 14th July, 1959	95,522
IV. Total purchases (II & III)	293,366
V. Disposals upto 14th July, 1959.	
(a) To other stations	74,081
(b) To flour mills	1,358
Total disposals (a & b)	75,439
VI. Stocks with the Government at Moga on 18th July, 1959	218,929

As regards stocks with traders, the information from the Food Supplies Department reveals the following position :

Stocks with the Traders

Fortnight ending with	Wheat Qty. (maunds)	Gram Qty. (maunds)
14th April, 1959	252	916
30th April, 1959	505	158
15th May, 1959	774	715
31st May, 1959	8,085	10,897
15th June, 1959	40,526	26,337
30th June, 1959	17,661	N.A.
15th July, 1959	76,390	N.A.

It would be evident that the stocks with traders were insignificant when Government had not entered the market. In the next stage, wheat stocks with traders increased from 774 maunds to 40,526 despite the fact that the Government purchased as much as 28.0 to 88.0 per cent of the weekly arrivals during this period. This fact not only indicates a regular flow of arrivals from the rural areas into the market but also highlights the strong desire of traders to build up stocks of wheat. The rapid increase in the stocks of traders towards the middle of July 1959 after the Government had stopped purchases further proves that the flow of wheat supplies into the market has been regular. Thus it can be safely concluded that

*The data supplied by the Food Department at Moga suffers from a discrepancy of about 8,000 maunds of wheat purchases. The discrepancy is with regard to either the records of daily purchases or the aggregate figures or the conversion of standard bags or *kattas* into maunds.

though wheat arrivals were relatively lower this year, the trade channels have, by and large, remained intact. Along with the purchases by Government, the traders had also built up stocks which by the middle of July 1959 were as large as 76,390 maunds.

Stocks of wheat with the Government and with traders together constitute about 61.0 per cent of total arrivals in Moga according to Market Committee data up to 18th July, 1959. It is interesting to note, of these stocks 74.0 per cent are with Government and only 26.0 per cent with the traders.

SECTION IV

THE STATE TRADING SCHEME AND ITS EFFECTS

State trading in foodgrains in the Punjab started on 5th May, 1959 in accordance with the provisions of the Punjab Foodgrains (Procurement) Order 1959. The salient features of this scheme have been summarised in the general report.

It has been reported from different sources that high prices last year would have encouraged stock-piling this year and the prices would have been higher than usual had there been free trade. But zonal restrictions, the entry of Government as a privileged customer in the foodgrains trade and the fear of confiscation of traders' stocks at lower prices have prevented traders from building up even the normal stocks of wheat. Further, they have been instructed to send fortnightly returns of their stock position to the food supplies authorities and hence their stock position is known to the Government.

In the present circumstances the traders as buyers have found themselves in a disadvantageous position. They have participated in bidding and have not been sure whether particular heaps will be left for them to buy. The margin of profitable bargains has been very much narrowed as the Government have generally procured those heaps which are cheaper and better, while the more costly heaps have fallen into the hands of traders. On the other hand, the demand for whole sale *dara* wheat from roller flour mills and power-driven *chakkis* and from big traders in deficit areas has contracted as the result of State Trading arrangements.

Another consequence of State trading has been the guarantee of a minimum price to the producers. The big producers are holding stocks because they expect a rise in prices again this year. Even if the prices do not go up, they hope to get at least the Government purchase price.

As already observed the State trading scheme in Punjab has indirectly influenced the rate of arrivals. It has also adversely affected the amount of commission charged by the *kacha arhatiyas*. But it is hoped that their total earnings by way of commission charges will remain unaffected in the long run, whether the produce is purchased by Government or by traders, since they will always be entitled to these charges. The incomes of *pucca arhatiyas* on the contrary have definitely gone down and the business position of some of them has been seriously undermined.

No significant effect on the volume of employment in the market has been noticed so far. The number of persons engaged in different operations (weighing, bidding, transport, packing etc.) has remained unchanged. But as the result of the decline in arrivals their incomes have been reduced and if the situation continues as at present some of them are likely to be thrown out of employment.

The opinions of a cross-section of producers, traders, official and semi-official agencies on State trading have been summed up below :

- (i) The producers have reported that State trading has been a blessing to them in so far as the minimum prices of wheat have been stabilised. But if there had been an open market the maximum prices obtained would have been much higher. They felt that *dara* wheat has fetched a reasonable price but the better quality of wheat has not been sold at fair prices. The producers of quality wheat have, therefore, nursed a grievance against the working of the State trading scheme. There is also the complaint that free bidding has been discouraged by officials to keep the prices at a low level in the interest of Government purchases. The producers also resent comparatively high prices of non-agricultural commodities and demand price control.

Besides, delays in payments to *kacha arhatiyas* by the Government agents and the inexperience of the staff of the food supplies department seems to have created an unfavourable reaction in the market both amongst producers and traders.

- (ii) The *kacha arhatiyas* are reported not to have been affected appreciably by the State trading. They are, therefore, not very hostile to the scheme. But the *pucca arhatiyas* especially the stockists, who are the worst affected, are naturally very hostile to the scheme. Some of the *arhatiyas* also feel aggrieved by the fact that a syndicate which consists only of 15 or 20 traders and is the Government agency for foodgrain purchases at Moga, enjoys the monopoly of earning commission from the Government.
- (iii) As regards the reaction of the consumers, it has been noticed that the sharp rise of prices in the lean months last year and the fact of purchase of wheat by Government despite a bumper wheat crop this year has created a psychology of scarcity amongst them. They are not sure of a regular flow of wheat supplies being maintained in the lean period in winter. The restrictions imposed on the roller flour mills and power-driven *chakkis* in regard to the purchase of indigenous wheat in the open market and the higher prices of 'atta' have further heightened the sense of scarcity among the urban population.

Thus, on the whole, State trading has had a mixed reception at the hands of both the producers and traders. It has succeeded in stabilizing foodgrains prices to some extent, but at the same time it has unduly encouraged the producers to hold marketable surpluses at present and has antagonised a class which continues to be a vital part of the machinery of distribution.

Conclusion

Our findings may be summarised as follows :

Production of wheat has increased and the magnitude of increase is highest in the case of big cultivators.

The small proportion of produce sold by agricultural producers during the harvest period, an overall increase in the stocks kept for sale, and no significant change in the proportion of the residue kept for consumption and farm requirements indicate the diminished volume and the slow rate of flow of wheat supplies into the market.

The pattern of flow of supplies has remained unchanged. Surplus production in the rural areas has been marketed through normal trade channels and, arrivals, though comparatively lower this year, have been regular.

The marketable surplus held by the producers, particularly substantial producers who hold social and economic power, in the rural society and wield considerable influence with the Government officials, poses a serious problem of procurement of foodgrains at present prices. If the prospects of the kharif crop are good, the producers may unload their stocks earlier than what is justified by their present expectations. But if the kharif harvest is bad and the Government does not act in time to release its own stocks and ensure proper distribution of stocks held by traders, foodgrain prices may rise.

State trading has ousted the trader as a big stockist in the foodgrain market. The predominance of Government purchases has placed the State in a strategic position to influence food prices through buffer-stock operations. The prospects for the success of a price stabilization policy are therefore brighter now in the wheat zone. It seems that in Punjab a compromise between 'complete free trade' and 'full control' has been successfully achieved to check speculative trade. The successful working of the scheme is, however, very much dependent upon the adequate facilities being provided for storage and distribution of the stocks held by the Government. In this context, the damage of wheat stocks in Hissar Government bins is not a good augury.

The Bhatinda, Jaitu, Kot Kapura and Barnala Markets—Punjab

A SURVEY OF BHATINDA MARKET WITH RESPECT TO THE LOW ARRIVALS OF FOODGRAINS

1. Wheat, gram, cotton and oilseeds are the major agricultural commodities sold in the Bhatinda market and the markets nearby. Producers' decision to sell wheat would, therefore, be influenced not only by the price and output situation in respect of wheat itself, but also by that of other cash crops. The decision may also be influenced by the food policy of the Government.

2. For all practical purposes, Bhatinda may be treated as a market of commission agents. The markets for distribution of agricultural commodities are scattered around Bhatinda. In the Bhatinda district there are nearly 12 important markets for arrivals of foodgrains. However, only

5 of them can be considered as major arrival markets. In order of importance, Kot Kapura, Faridkot, Mansa, Rampur Phul and Jaitu are the major markets. Barnala, situated 40 miles away from Bhatinda city and in the district of Sangrur, is an important market adjacent to Bhatinda.

3. The survey was conducted in the markets of Bhatinda, Kot Kapura, Jaitu and Barnala. It was also extended to 12 villages situated round about the four markets selected for study. 25 persons drawn from such groups as traders, market officials, bankers and other persons having some connection with the market were interviewed. In all, about 84 cultivators consisting of small, medium and big producers were also interviewed. 20 traders dealing in foodgrains were also questioned.

4. As a whole, the Punjab Foodgrains (Procurement) Order, dated the 5th May, 1959 has benefited all parties concerned—the producers, the traders and the Government—due to the fact (a) that no injustice has been done to the producer as he is assured of the maximum price that his produce can get in the market, (b) that the Government has had no hand in price fixation, (c) that while the Government is entitled to procure foodgrains, this should not cause much inconvenience to the trader because he is also assured of a portion of the total arrivals in the market, (d) that all the indigenous trading channels and agents are allowed to function in the market and finally (e) that in order to avoid delay in the settlement of bills, this responsibility has been transferred to the Traders' Association.

Nature and causes of low arrivals

5. Generally, prices in Jaitu and Kot Kapura have remained lower in the current arrival season than the prices in the Bhatinda market. On the other hand, gram prices have ruled higher in these two markets as compared to those in Bhatinda.

According to the final estimates made by the Ministry of Food and Agriculture, both the area and production of wheat and gram have increased considerably in the Bhatinda district as compared to the area and yield last year. The production of wheat is nearly 33 per cent more this year as compared to the last year.

6. The arrival of wheat in the Bhatinda region has declined substantially this year, while the trend is the other way round in the case of gram arrivals. Only Barnala where the arrival of wheat appears to have increased slightly, seems to be an exception.

Summing up the arrival trends in the four wheat markets of Punjab, it may be said that as a result of the shock of the sharp decline of wheat prices the arrivals declined heavily in all the markets. As the market started absorbing the preliminary shock and as prices started showing signs of recovery during the month of June, the arrival situation began to improve in all the markets.

Trends in the Barnala market

7. The prevalence of higher prices in the Barnala market was one of the main factors responsible for higher wheat arrivals. Secondly, Barnala is well connected by railways with both Delhi and the food deficit districts of Punjab like Gurdaspur and Amritsar. Thirdly, the Kharif Season of 1958-59 was particularly bad in the Barnala area due to unseasonable and excessive rainfall. The output of kharif crops was lower and the kharif arrivals declined heavily during the 1958-59 season. In view of this, the

peasants seem to have shown some anxiety to part with their wheat in order to meet their immediate cash requirement. Fourthly, because of low gram arrivals the traders of this area might have handled more of wheat and thus brought about an increase in the wheat arrivals. Lastly, the Barnala region had an exceptionally good wheat harvest. But the fact remains, that because of high prices ruling in the Barnala market, the increased wheat arrivals may have been partly due to diversion of the wheat trade from the other markets to the Barnala market.

Trends in the Kot Kapura market

8. The main factor responsible for low arrivals in Kot Kapura market seems to be stoppage of supply from the feeder markets. The traders and Government officials functioning in this market stated that due to State Trading the disparity between wheat prices in Kot Kapura and the wheat prices in feeder markets had been almost eliminated. The second cause, frequently mentioned to us, was that the producers were directly exporting large quantities of the fine variety wheat to Delhi, Kangra and Amritsar.

General trends in all the markets

9. On the basis of the views of the different agencies—traders, producers, Government officials, bankers etc.—and the facts stated by them the current low arrivals of wheat may have been due to the following factors :—(1) hoarding of wheat by the producers, (2) reluctance on the part of the traders to enter the wheat trade for various reasons, (3) direct export of wheat by the producers to Delhi and the deficit areas of Punjab, (4) hoarding of wheat by the consumers, and (5) exigencies created by the operation of the State Trading Scheme.

10. Both medium and large producers in the Barnala area are withholding a substantial part of their wheat produce from the market. During the off-period last year large producers in Barnala disposed of nearly 150 maunds of wheat, while during the current year they have retained nearly 575 maunds of wheat for off-period sale. Moreover, during the harvest period of the current year, the large producers have parted with 415 maunds of gram as against 317 maunds marketed during the same period last year.

In the Kot Kapura area, during the last year small, medium and large producers sold 2.9, 38.5 and 36.8 per cent respectively of their wheat output. During the current harvesting period while the small producers have increased their quantum of sale from 2.9 per cent to 9.3 per cent, the sales of medium and large producers have declined heavily. Large producers of Kot Kapura sold 690 maunds of wheat during the off-season last year, while they have kept 876 maunds of wheat for sale during off-season of the current year.

The other two markets show the same trends as those in Barnala and Kot Kapura. These trends lead to one unmistakable inference that producers in the Bhatinda region have hoarded wheat on a considerable scale.

11. During the course of our enquiry we learnt that except in the Kot Kapura area, traders have not advanced any loans to producers for the purpose of withholding their stock either on their own account or on the traders' account. In the Kot Kapura area money advanced by the traders during the previous year and their non-insistence on repayment this year have helped in strengthening the holding power of the producers which has been considerably reinforced by the bumper gram crop.

12. The price of wheat reached its peak level during April 1959. The increase in prices during the three months preceding April was unprecedented. Since April 1954 wheat prices in the Kot Kapura market had never attained that level. The main factor responsible for the sharp increase in wheat prices was wheat scarcity in Rajasthan and U.P. Anticipating a sharp increase in wheat prices the U.P. traders had stocked large quantities of wheat in the Punjab markets for speculative purposes. We were told in the Kot Kapura market that there was large-scale smuggling of wheat to the deficit areas of U.P. and Rajasthan. The Punjab Government seized the wheat stocks on payment of the average prices which prevailed during the previous three months.

13. Strong action taken by the Punjab Government followed subsequently by the Rabi harvesting season had a "crash" effect on the wheat prices. Prices fell steeply from Rs. 23.53 in April 1959 to Rs. 17.25 in May 1959. After the experience of high wheat prices during the lean months of the pre-harvesting period the producers are reluctant to part with their wheat stocks in spite of the fact that wheat prices in May 1959 stood at a higher level (Rs. 17.25) than the level reached during the same period last year (Rs. 15.25).

14. The other factors responsible for the stocking of foodgrains by the producers are—(i) difficulty of repurchases during the off-period, (ii) uncertain prospects of the next kharif crop, (iii) government purchases on State account. A large number of producers are of the view that low wheat prices are mainly due to the introduction of State trading in foodgrains. They are treating the present prices as "minimum" prices assured to them by the State.

Role of traders

15. The extent to which the traders have reduced their trading activity in wheat can be judged by the amount of bank advances made to them during the last year and the current year. Our enquiries at the Bhatinda Branch of the Bank of Patiala indicated that the quantity of wheat pledged by the traders with the bank amounted to 71,699 maunds during the period 1st April 1958 to 15th July 1958. On the other hand the bank has not advanced any finance towards wheat during the period 1st of April 1959 to 15th July 1959. Similarly, the Manager of the Bank of Patiala at Jaitu told us that they advanced Rs. 83,000 to wheat traders during the period 1st April, 1958 to 15th July, 1958, while they have advanced Rs. 30,000 only during the same period this year. The Manager of the Punjab National Bank, Kot Kapura Branch, stated that during the last rabi season they financed trade in foodgrains to the extent of Rs. 4—5 lakhs, while they have advanced only Rs. 1 lakh during the same period this year.

16. Thus, it appears that the wheat traders have not taken advantage of even the limited funds that the banks are in a position to advance in the face of the restrictive credit policy enforced by the Reserve Bank in respect of advances against foodgrains. It is therefore legitimate to infer that there has been a decline not only in the quantity of wheat purchased by the traders but also in the trade in wheat. The statistics of movement of wheat through railways also support this finding. For instance, in the case of Kot Kapura, the export of wheat through railways has declined by nearly two-thirds.

17. We were given to understand by the traders that they are reluctant to enter the wheat trade due to the uncertainty created by the Government's

wheat purchase policy and that consequently they have diverted their funds towards trade in gram, cotton and oilseeds.

Role of consumers

18. It was the unanimous opinion of traders, producers and government officials that the consumers had directly purchased and stocked considerable quantities of wheat. According to an estimate made by the District Food and Civil Supplies Controller, Bhatinda, the total quantity of wheat purchased directly by the consumers in the arrival markets during the period 1st of April 1959 to 25th of July 1959 amount to 6,204 standard bags in Bhatinda, 5,263 bags in Kot Kapura and 5,000 bags in Jaito. We quote these figures mainly with a view to giving an idea of the wheat stocks held by the consumers.

Role of State trading

19. In Barnala, Bhatinda and Jaito, the Government entered the markets during the fourth week of May, 1959. In Kot Kapura, the Government started making purchases towards the end of the third week of May. Right at the outset the Government fixed procurement targets for the different districts of Punjab.

In almost all the markets surveyed by us the procurement targets were almost fulfilled.

20. The traders have stated that the entry of Government into the market has resulted in creating an atmosphere of scarcity both amongst the producers and the consumers. An important consequence of State intervention has been the establishment of a parity between prices in the main markets and prices in the surrounding feeder markets. As a result supply of wheat from the feeder markets has stopped. The traders also felt that State trading has pushed up wheat prices whereas they would have otherwise gone down.

On the other hand, most of the producers were of the opinion that wheat prices have gone down due to the monopoly character of procurement by the State.

21. The opinion of the traders that entry of the Government into the market has helped in pushing up prices to a higher level than what it would have been otherwise seem to be correct when we compare present prices with those prevailing during the same period last year which were considerably lower.

22. It is difficult, however, to accept the other contention of the traders that wheat price will fall if the Government withdraws from the market. Wheat prices may fall due to various factors and certainly Government's withdrawal from the market is neither the only nor the main factor.

Administrative shortcomings of the State Trading Scheme

23. The main administrative defects of the State Trading scheme as it is operating in Punjab have been summarised below on the basis of the talks we had with producers and traders.

(1) The District officers purchase wheat through the Arhatiyas Association. The Arhatiyas Association which is responsible for payments generally delays payment. Though the Association is expected to make daily payments on behalf of the Government and later on reimburse itself from the Government it generally does not make any payment till it gets money from the Government. When the Association distributes funds amongst the

kacha arhatiyas for purposes of distribution amongst the producers the *kacha arhatiyas* in their turn also delay payments. Thus the producer is put to inconvenience.

(2) The State trading scheme has given rise to many corrupt or unwholesome practices particularly as regards settling the accounts and renting the godowns. We were given to understand that the government purchase officers are in the habit of showing the purchases made on the day when market prices are lower in the next day's account with a view to pocketing the differences. Similarly while renting the godowns, Government officers are in the habit of fixing the rent at an inflated figure with a view to obliging the trader and accepting a bribe from him.

(3) Since there is shortage of godowns and many of the godowns have not been constructed on scientific lines there is every danger of wheat stocks being spoiled. We were given to understand that recently about 60,000 maunds of grain were damaged by rain inside the godown.

(4) Both traders and cultivators pointed out many mal-practices and delays for which Government purchase agents are responsible. Following are some of them :

(i) Government officers do not specify the lot which they are going to purchase till late in the evening. This causes hardship to producers who come to the market early in the morning.

(ii) Petty traders are put to inconvenience as the Government purchases the inferior variety of wheat and leaves fine varieties to the petty traders who find it extremely difficult to market the superior variety of wheat. Out of the purchases made up to 30th June by the Government in the twelve markets of Bhatinda district 84.4 per cent was inferior variety of wheat.

(iii) The Government officers do not allow perfect competition in the market and they try to discourage high prices. They intervene even when wheat prices are in the favour of producer by bringing undue pressure.

Suggestions for improvement as put forward by traders and producers

24. Following are some of the suggestions which were put forward for the improvement of the State Trading Scheme :—

(1) At present the State is purchasing mainly through the Pucca Arhatiyas' Association. Since the *pucca arhatiyas* have taken up to unfair practices like mixing of inferior varieties of wheat with superior varieties it would be better if the Government makes its purchases through the co-operative marketing societies which are generally more honest in their dealings. This will also put an end to some of the corrupt practices mentioned earlier. Moreover the Government is incurring heavy expenditure in the forms of salaries to purchasing staff and rent on godowns. In case the Government wants to recover these charges it can do so only if it sells wheat at a higher price than the original value. If the cooperative societies are entrusted with the responsibility of purchasing and stocking wheat on behalf of the government, the government will be in a position to reduce the incidence of these additional charges. These two points of view have been put forward mainly by cooperative marketing societies.

(2) The traders put forward the view that it would be better for the Government to purchase directly from traders through competitive tenders. They suggested the introduction of the scheme which was being followed in the erstwhile PEPSU State. Under this scheme the traders were free to purchase on behalf of the Government. For the services which the traders

rendered for the Government they were entitled to a commission and also incidental charges.

(3) The Government should not purchase through the traders' association. It should appoint individual firms as its agents.

(4) The Government should not purchase through traders. It should purchase directly.

Views on State trading

25. In respect of their attitude towards the State Trading Scheme the views expressed by traders were broadly of two types. While the *pucca arhatiyas* in all the centres were unanimously opposed to the State Trading scheme due to reasons which are essentially subjective the *kacha arhatiyas* were more indifferent than positive. Their indifference arose from the fact that they had not been adversely affected by the State Trading Scheme. Under the State Trading Scheme the *kacha arhatiya* continues to perform his traditional role. The State pays him a commission for the services which he is rendering. Hence the income of *kacha arhatiyas* has not suffered any reduction due to the State trading scheme. The income which they have lost now due to low arrivals of wheat in the market they hope to make up subsequently when the wheat arrivals increase. Moreover for the income which they have lost due to the decline in wheat arrivals has been substantially compensated for by the increase in the arrivals of gram. Thus by and large *kacha arhatiyas* are not opposed to the State Trading scheme. However some of the *kacha arhatiyas* are opposed to the State trading scheme out of the fear that in the future the State may encroach upon their field also.

The opposition of *pucca arhatiyas* to the State trading scheme is mainly due to loss of wheat trade. The State has taken away from their hands a substantial part of wheat trade.

By and large small producers seem to be in favour of the State trading scheme on the following grounds.

(i) The Government should build up wheat reserves for emergencies. Building up of such reserves will go a long way towards ensuring supply of food grains at reasonable prices during the lean months. This would be very helpful to the peasants who have to repurchase foodgrains.

(ii) If the Government takes over wheat trade the peasants will no longer be at the mercy of *kacha arhatiyas* who exploit the small farmers.

Though small producers are in favour of State trading yet frequently they have to resort to distress selling.

Amongst the producers the strongest opposition to the State trading scheme seems to come from the big producers. The reasons given by them for their opposition to the State trading scheme are as follows :—

(i) They are opposed to all types of Governmental control of the trade in foodgrains.

(ii) The traders may not purchase wheat from them fearing that the Government may confiscate their (traders') stock.

(iii) When the Government enters the wheat market it keeps down the wheat prices by means of pressure exercised by Government officers.

It will be seen that the attitude of big producers against State trading does not have a rational basis. Since they are mainly responsible for the present state of low arrivals in the market it is not safe to formulate any policy purely with a view to meeting the requirement of big producers.

APPENDIX

TABLE 1—Statement showing the coverage of markets, traders, agricultural producers and official agencies in the different markets during the enquiry.

Market	No. of schedules filled in					Official Agencies contacted
	Market Information Schedule No. 1	Agricultural Producers Schedule No. 2	Kachha/Pucca Arhatiyas Schedule No. 3	No. of villages surveyed	Neighbouring markets surveyed	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
U.P. 1. Hapur	23	51	14	8	1. Gulaothi	Offices of :—Senior Marketing Inspector, Agricultural Marketing Inspector, Cooperative Union, Cooperative Credit Society, Cooperative Seed Store, Integrated Marketing Shop, Chamber of Commerce, Tehsildar, Banks, Railways and "Byopar-Samachar".
2. Chandausi	15	51	19	8	1. Bisauli 2. Wazirganj	Offices of :—Senior Marketing Inspector, Agricultural Marketing Inspector, District Cooperative Officer, Cooperative Marketing Inspector, Warehousing Corporation, Chamber of Commerce, Tehsildar, Allahabad Bank Ltd. and Railways.
Punjab 3. Moga	31	68	15	6	1. Baghapurana	Offices of :—Market Committee, Food and Civil Supplies Department, Agricultural Inspector, Block Development Officer, Cooperative Societies Inspector, Cooperative Society's Shop, Pucca Arhatiyas Association, Tehsildar, Byopar Mandal, Banks, Railways and Agricultural News Service Inspector.
4. Bhatinda (including Kot-25 kapura, Barnala & Jaitu Markets).	25	84	20	12	—	Offices of :—Market Committees, Food and Civil Supplies Department, Marketing Inspectors, Block Development Officers, Cooperative Marketing Societies, Kucha and Pucca Arhatiyas Association, Tehsildar, Banks and Railways.

TABLE 2.—Arrivals of wheat during

Market	Months					
	April			May		
	1958	1959	per cent change	1958	1959	Per cent change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>U.P.</i>						
1. Hapur	8,325	5,770	—34.6	26,645	2,431	—90.9
2. Chandausi	51,300	37,600	—26.7	31,650	11,345	—64.2
<i>Punjab</i>						
1. Moga	27,552	11,182	—59.4	205,588	118,328	—42.4
2. Bhatinda	5,959	3,130	—47.5	19,494	8,361	—57.1
3. Kot-Kapura	21,560	4,719	—78.1	117,304	54,088	—53.9
4. Barnala	13,715	3,397	—82.5	112,142	53,208	—52.6
5. Jaitu	7,109	1,535	—78.4	33,125	22,090	—33.3

TABLE 3.—Arrivals and purchases of wheat on the shops of Kacha and seasons during 1957-58

Markets	Kachha Arhatiyas		
	No.	Arrivals	
		1957-58	1958-59
(1)	(2)	(3)	(4)
<i>U.P.</i>			
1. Hapur (seasonal)	6	25,500	3,830
2. Chandausi	7	36,803	7,824
<i>Punjab</i>			
3. Moga (upto 15th July)	1	62,861	31,669
4. Bhatinda and 3 other markets	8	88,565	88,093

April-July 1958 and 59

(Quantity in Maunds)

Months						TOTAL		
June			July (Upto 15th)			(Upto 15th July)		
1958	1959	Per cent change	1958	1959	Per cent change	1958	1959	Per cent change
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
12,950	158	-98.8	2,200*	25*	-98.9	50,620*	8,384*	-83.4
11,535	1,475	-87.2	3,125 (a)	175 (b)	-94.4	97,610 (a)	50,595(b)	-48.2
307,534	295,209	-4.0	52,354	54,846	+4.8	593,028	479,565	-19.1
19,663	21,854	+11.1	4,278	6,904	+61.4	44,394	40,249	-9.3
195,336	148,115	-24.2	46,697	24,087	-48.4	380,897	231,009	-39.4
125,962	186,634	+48.2	24,371	35,843	+47.1	276,190	278,082	+0.7
92,238	71,645	-22.3	15,223	18,556	+21.9	147,695	113,826	-22.9

*These figures are only up to 14th July. (a) These figures are only up to 12th July.

(b) These figures are only up to 11th July.

SOURCE:— 1. For U.P.—Office of the Senior Marketing Inspector.

2. For Punjab—Office of the Market Committee.

Pucca Arhatiyas in the four markets for the two harvest and 1958-59

(Quantity in Maunds)

No.	Purchases		Market
	Pucca	Arhatiyas	
	1957-58	1958-59	
(5)	(6)	(7)	(1)
<i>U.P.</i>			
5	7,000	—	1. Hapur (seasonal)
12	1,90,610	23,543	2. Chandausi
<i>Punjab</i>			
1	14,682	7,495	3. Moga upto 15th
12	1,82,000	72,500	4. Bhatinda and 3 other markets.

TABLE 4—Production and sales of wheat of 254 agricultural producers around the markets surveyed

(Area in Acres) (Quantity in Maunds)														

Small (Below 10 acres)

1. Hapur (U.P.)	58.77	8	22.25	232	47	20.3	—	—	13.35	175	12	6.9	10	5.7
2. Chandausi (U.P.)	156.25	17	47.03	258	31	12.0	—	—	41.40	257	21.5	8.4	18	7.0
3. Moga (Punjab)	121.25	17	79.00	872	300	34.4	45	5.2	78.00	932	357	38.3	95	10.2
4. Bhatinda & other markets (Punjab)	71.40	11	15.60	234	2	0.9	—	—	23.30	280	57	20.4	—	—
<i>Total</i>														
1. Hapur (U. P.)	1255.83	51	315.02	3,425	584	17.1	536	15.6	273.63	2,848	401.4	14.1	522	18.3
2. Chandausi (U.P.)	777.97	51	253.29	1,758	316	18.0	179	10.2	217.81	1,608	220.5	13.7	279	17.4
3. Moga (Punjab)	1738.25	68	818.50	10,534	5,223	49.6	1,070	10.2	921.50	12,555	5,063	40.3	2,575	20.5
4. Bhatinda & other markets (Punjab)	2715.90	84	647.10	9,286	1,929	20.8	1,021	11.0	713.60	10,574	2,127	20.1	1,631	15.4

NOTE:—Figures of area for production and sales etc. for Jaitu (Bhatinda) market were not available for 1957-58.

TABLE 5—Pattern of sales of wheat by 254 agricultural producers around four markets during the harvest season of 1957-58.

(Quantity in maunds)

Market	No. of producers	Total production	Place of Sales			Agency of Sales									
			Total Sales	Inside	Outside	Village Trader & Shop-keeper	Village Big Producer-cum-Trader	Village Consumer	Purchaser from town	Kacha Arhatiyas	Retailer outside	Pucca Arhatiyas	State	Integrated Co-operative	N.A.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<i>U.P.</i>															
1. Hapur	51	3,425	1,120	153	967	73	—	60	—	891	—	—	—	96	—
2. Chandausi	51	1,758	495	235	260	175	—	60	—	233	—	—	—	27	—
<i>Punjab</i>															
3. Moga	68	10,534	6,293	10	6,283	—	—	10	—	—	—	6,283	—	—	—
4. Bhatinda and 3 other markets	84	9,286	2,950	722	2,228	285	—	165	—	2,128	—	—	—	226	146

TABLE 6.—Pattern of sales of wheat by 254 agricultural producers around four markets during the harvest season of 1958-59*

Market	No. of producers.	Place of Sales				Agency of Sales						Quantity in maunds			
		Total Sales	Inside	Outside		Village Shop-keeper	Village Big & Producer-Trader	Village Consumer	Purchaser from town	Kachha Arhatiyas	Re-tailer outside	Pucca Arhatiyas	Self	Inter-co-operative	N.A.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<i>U.P.</i>															
1. Hapur	51	2,848	399.2	130.00	269.20	10		59	71	62		22		175.2	
2. Chandausi	51	1,608	234.5	74.75	159.75	46	14	32.75		123.75				18	
<i>Punjab</i>															
1. Moga	68	12,555	7,633.0	25.00	7608.00		20	5				7,608			
2. Bhatinda and three other markets	84	10,574	2,127.0	240.00	1887.00	50		190		1,737				150	

*Sales are given only for harvest period i. e. April to mid July.

TABLE 7—Comparative stocks of wheat with traders in the four markets on 15th July, 1958 and 14th July, 1959

Market	Stocks		Source of data
	1958	1959	
(1)	(2)	(3)	(4)
<i>U.P.</i>			
1. Hapur	4,875	1,307	Office of the Senior Marketing Inspector
2. Chandausi	19,310	1,416	„
<i>Punjab</i>			
3. Moga	N.A.	76,390	Food Supplies Dept.
4. Bhatinda and 3 other markets	N.A.	29,942*	„

*Figures for Barnala Market are not available and the stock for Bhatinda and two other markets have been given as on 30th June, 1959.

TABLE 8—Government Purchases and Stocks of wheat in the four markets in the Current Harvest Season (5th May to 14th July, 1959)
(Quantity in Maunds)

Dates	Market			
	U.P.		Punjab	
	Hapur	Chandausi	Moga	Bhatinda & 3 other markets
(1)	(2)	(3)	(4)	(5)
5th—10th May	1,062·05	1,401·00	—	—
11th—17th May	98·00	105·00	—	—
18th—24th May	31·18	16·50	11,238·60	3,680·44
25th—31st May	8·33	106·00	13,957·90	28,149·34
SUB-TOTAL MAY, 1959	1,199·56	1,628·50	25,196·50	31,829·78
1st—7th June	73·71	44·00	20,498·40	44,029·78
8th—14th June	184·37	13·00	48,346·00	81,057·90
15th—21st June	—	83·00	38,672·40	65,773·81
22nd—28th June	39·50	146·00	56,019·00	69,519·52
29th and 30th June	—	19·00	11,543·00	13,693·55
SUB-TOTAL JUNE, 1959	297·58	305·00	1,75,079·20	2,74,074·56
1st—5th July	—	37·00	4,945·60	22,627·46
6th—12th July	13·87	—	552·50	4,365·48
13th and 14th July	12·50	—	—	—
SUB-TOTAL JULY (upto 14th), 1959	26·37	37·00	5,498·10	26,992·94
GRAND TOTAL (5th May—14th July, 1959)	1,523·51	1,920·50	2,05,773·80	3,32,897·28
Source of data	Senior Marketing Inspector's Office		Food Supplies Dept., Moga	Food Supplies Dept. Bhatinda, Kot-Kapura, Barnala & Jaitu.

Hapur Market

APPENDIX

TABLE 1—*Production of Wheat during 1957-58, 1958-59*
(For 51 producers in 8 villages around Hapur)

Size Groups (Acres)	No. of produc- ers	Total land cultiva- ted (acres)	1957-58			1958-59		
			Area	Yield (Mds.)	Yield per acre	Area	Yield (Mds.)	Yield per acre
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1—10 . .	8	58.77	22.25	232	10.43	13.35	175	13.11
10—20 . .	20	297.06	76.98	712	9.25	72.56	623	8.59
20 & above . .	23	900.00	215.79	2,481	11.50	187.72	2050	10.92
TOTAL	51	1255.83	315.02	3,425	10.87	273.63	2,848	10.41

TABLE 2—*Wheat Arrivals upto 1st week of May for the years 1958 and 1959*

Month & Week	(In maunds)	
	1958	1959
(1)	(2)	(3)
April—		
(1—7th)	1	225
(8—14th)	2	1,295
(15th—21st)	3	1,500
(22nd—30th)	4	2,750
May—		
(1st—7th)	1	2,100
TOTAL	11,800	7,870

SOURCE : Senior Marketing Inspector (Civil Supplies).

TABLE 3—*Date-wise Wheat Purchase by the State at Hapur*

Dates	Purchases in		
	Mds.	Srs.	Ch.
5th May, 1959	823	14	7
6th May, ..	1	17	10
7th May, ..	97	30	0
8th May, ..	1	20	0
9th May, ..	132	20	0
10th May, ..	5	20	0
12th May, ..	7	0	0
17th May, ..	91	0	0
23rd May, ..	31	7	6
25th May, ..	2	13	0
26th May, ..	6	0	0
2nd June, ..	1	23	0
3rd June, ..	8	24	0
4th & 5th June, ..	53	30	0
6th June, ..	9	31	8
7th June, ..	78	30	0
8th, 9th & 10th June, ..	20	34	10
11th June, ..	22	10	0
13th June, ..	62	20	0
22nd June, ..	29	20	0
27th June, ..	10	0	0
10th July, ..	10	19	4
11th July, ..	3	15	10
14th July, ..	12	20	0
TOTAL	1,523	20	7

SOURCE : Senior Marketing Inspector, Hapur.

TABLE 4 *Wheat Sales during Post-Harvest Period for the years 1957-58 and 1958-59*

(For 51 producers in 8 villages around Hapur)

Groups	1957-58			1958-59		
	Production (mds.)	Sale (mds.)	Percentage	Production (mds.)	Sale (mds.)	Percentage
Small Cultivators	232	47	20.3	175	12.0	6.9
Medium Cultivators	712	85	11.9	623	73.2	11.7
Big Cultivators	2,481	452	18.2	2,050	316.2	15.4
TOTAL	3,425	584	17.1	2,848	401.4	14.1

TABLE 5.—Total Wheat Sales during 1957-58 and 1958-59 and the Proportion of Sales during Harvest and Off Period

(For 51 producers in 8 villages around Hapur)

Size Group (acres)	No of Producers.	Total land culti- vated (acres)	1957-58				1958-59			
			Yield	Total sales	Sales during harvest period	Sales during off period	Yield	Total sales	Sales during harvest period	Stocks kept for sale
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1-10	8	58.77	232	47	47 (100.0)		175	12	12 (34.5)	10 (45.5)
10-20	20	297.06	712	158	85 (53.8)	75 (76.2)	523	73.2	73.2 (55.0)	60 (45.0)
20 & above	23	900.00	2481	915	452 (49.4)	463 (50.6)	2050	316.2	316.2 (41.2)	452 (58.8)
TOTAL	51	1255.83	3425	1120	584 (52.1)	536 (47.9)	2848	401.4	401.4 (43.5)	522 (56.5)

NOTE :—Figures in brackets show percentage to total sales.

Chandausi Market

APPENDIX

TABLE 1—*Figures of arrivals of wheat in Chandausi market during April, May and June, 1958 and 1959.*

(in '000 mds.)

Month	1957-58	% of total	1958-59	% of total
April	40.7	44.4	34.5	64.0
May	38.3	41.8	17.9	33.2
June 1st week	3.9	—	0.4	—
2nd week	3.8	—	0.3	—
3rd week	3.2	—	0.4	—
4th week	1.8	—	0.4	—
TOTAL	12.7	13.8	1.5	2.8
GRAND TOTAL	91.7	100.0	53.9	100.0
	100.0%		58.8%	

SOURCE : Ministry of Food and Agriculture.

सत्यमेव जयते

TABLE 2—*contd.*
New Wheat arrivals in the Market

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
May	May										
1-3	1-2	14.44-15.00	15.87-16.19	4,000	2,700	—	—	—	—	—	—
5-10	4-9	14.44-15.00	15.87-16.19	9,200	5,640	—	1401.0	—	7.5	—	2,433
12-17	11-16	15.00-15.50	16.00-16.50	7,625	1,525	—	105.0	15.5	15.5	21,642	2,684
19-24	18-23	15.50-15.78	14.00-16.62	7,100	630	—	16.5	—	22.5	—	2,900
26-31	25-30	15.87-17.00	14.00 —	3,725	850	—	106.0	31.5	31.5	27,532	2,337
			SUB-TOTAL	31,650	11,345	35.8	1628.5				
Percentage to Grand Total											
June	June										
2-7	1-6	17.00-17.37	14.00	3,810	240	—	44.0	—	7.6	—	1,684
9-14	8-13	17.62-18.00	14.00	3,800	365	—	13.0	—	—	—	—
16-21	15-20	17.50-17.75	14.00	2,400	380	—	11.0	15.6	15.6	24,894	1,671
23-28	22-27	17.50-17.87	14.00	1,450	385	—	146.0	—	22.6	—	645
30	22-30	17.50-17.87	14.00	75	105	—	19.0	30.6	30.6	N.A.	1,461
			SUB-TOTAL	11,535	1,475	12.8	305.0				
Percentage to Grand Total											
				11.6	2.9						

TABLE 2—concl'd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
July	July										
1-5	1-4	17.75-18.50	14.00	875	120	—	37.0				
7-12	6-11	19.00-20.50	14.00	2,250	55	—	nil	—	7.7	—	1,477
14-19		19.25-19.75	—	2,150	—	—	—	15.7	15.7	19,310	1,416
SUB-TOTAL				5,275	175	6.6					
Percentage to Grand Total				5.3 (negligible)							
GRAND TOTAL				99,760	50,595	51.8					
				2150	100 %						
				97,610							

Source : Office of the Senior Marketing Inspector, Chandausi (U.P.).

TABLE 3—*Daily wheat arrivals from 13-7-59 to 23-7-59 at Chandausi market during the period of the Survey*

Dates	Arrivals in Mds.	Retail Prices	Wholesale Prices
13-7-59	150	18·28	17·50
14-7-59	100	17·78	17·00
15-7-59	60	18·28	17·50
16-7-59	250	18·28	17·50
17-7-59	400	18·28	17·62
18-7-59	250	18·83	18·00
19-7-59	Sunday		
20-7-59	80	18·28	17·50
21-7-59	150	18·28	17·50
22-7-59	200	18·28	17·50
23-7-59	275	18·28	17·50

NOTE : Based on the estimates supplied by the traders.

सत्यमेव जयते

TABLE 4—Consolidated Statement of area, production, sales and stock of Wheat in different holding groups during 1957-58 1958-59*
(Qty in maunds)

Holding groups	No. of house-holds	Total area (in acres)	1957—1958					1958—1959										
			Production		Sales in harvest period		Residual stock		Sold in off period		Production		Sales in harvest period		Residual stock		Stock kept for sale	
			Area (in acres)	Qty.	Qty.	Value	Qty.	Value	Qty.	Value	Area (in acres)	Qty.	Qty.	Value	Qty.	Value	Qty.	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)		
Small	17	156.25	47.03	258	31	562	227	nil	nil	41.40	257	21.5	446	235.5	18	354		
Medium	24	335.0	114.22	868	148	2,702	720	128	2,890	108.44	831	68	1,330	763.0	209	4,180		
Big	10	286.72	92.04	632	137	2,430	495	51	1,122	67.97	520	131	2,851	389.0	52	1,040		
TOTAL	51	777.97	253.29	1,758	316	5,694	1,442	179	4,012	217.81	1,608	220.5	4,627	1387.5	279	5,574		

*On the basis of 51 case studies of producers from 8 villages around Chandausi.

TABLE 5—*Figures of area and production of wheat and sugar cane according to different holding groups*

Holding group	No. of House-holds	Land cultivated	Wheat				Sugarcane			
			1957-58		1958-59		1957-58		1958-59	
			Area	Production	Area	Production	Area	Production	Area	Production (Value in Rs.)
Small	17	156.3	47.0	258	41.4	257	13.4	6,680	15.9	6,720
Medium	24	335.0	114.4	868	108.4	831	43.4	26,360	51.9	30,570
Big	10	286.7	92.1	632	68.0	520	46.3	27,100	60.6	31,850
TOTAL	51	778.0	253.3	1,758	217.8	1,608	103.1	60,140	128.4	69,140

SOURCE : Based on the basis of interview of 51 cultivators in 8 villages around Chandausi.

TABLE 6—Gram arrivals in the Chandausi market

Dates		Price Range (Rs. nP.)		Arrivals (in mds.)	
1958	1959	1958	1959	1958	1959
(1)	(2)	(3)	(4)	(5)	(6)
April	April				
1—5	1—4	10·00—10·65	14·00—15·00	860	1,100
7—12	6—11	10·50—11·22	13·31—15·25	1,015	1,350
14—19	13—18	11·12—11·50	12·07—13·00	1,675	5,000
21—26	20—25	11·00—11·25	12·00—12·80	1,075	2,100
28—30	27—30	11·00—11·25	12·00—12·80	800	1,790
			SUB-TOTAL	5,425	12,340
May	May				
1—3	1—2	11·00—11·50	12·68—13·33	450	900
5—10	4—9	11·00—11·50	12·68—13·33	1,300	1,400
12—17	11—16	11·12—11·65	13·33—13·91	1,000	980
19—24	18—23	11·50—11·75	13·91—14·22	1,200	850
26—31	25—30	11·87—12·80	13·50—13·91	750	1,055
			SUB-TOTAL	4,700	5,185
June	June				
2—7	1—6	12·94—13·25	13·31—13·61	825	400
9—14	8—13	13·50—13·62	13·00—13·61	535	925
16—21	15—20	13·62—13·75	12·75—13·00	260	780
23—28	22—27	13·50—13·56	12·80—13·00	160	550
30	29—30	13·50—13·56	12·80—13·00	10	175
			SUB-TOTAL	1,790	2,830
July	July				
1—5	1—4	13·31 —	13·00 —	80	400
7—12	6—11	13·31—14·50	13·00—13·50	175	215
			SUB-TOTAL	255	615
TOTAL				12,170	20,970

SOURCE :—Senior Marketing Inspector, Chandausi.

TABLE 7—Arrivals of arhar and peas

Month	Arhar		Peas	
	1958	1959	1958	1959
April	55,100	36,760	11,300	13,650
May	35,350	53,900	7,575	9,050
June	12,300	12,550	3,915	2,405
July	3,075	2,605	1,000	730
TOTAL	1,05,825	1,05,815	23,790	25,835

TABLE 8—Prices of selected commodities at their peak arrivals in Chandausi market.

Commodity	Month of peak arrivals	1958 Price range	1959 Price range
Wheat	May	14.44—17.00	14.00—16.62
Rab	Jan. Feb.	11.00—13.75	16.00—19.00
Arhar	May	10.95—13.75 Going to Rs. 15 in June.	14.50—18.82
Peas	April	9.50—10.00	11.43—12.07

SOURCE—Senior Marketing Inspector.

TABLE 9—Figures of arrivals at the Integrated Cooperative Marketing Society shop.

Commodity	Arrivals in (mds.)		% of 59 over 58
	1958	1959	
Wheat	5,220	4,450	85.2
Arhar	2,921	4,500	154.1
Peas	736	836	113.6
Rab	14,500	34,700	239.3

TABLE 10—*The amount of money advanced by the large size societies attached with the Integrated Marketing Society, and its increase over last year.*

Serial No.	Name of Society	Advances 1957-58	Advances 1958-59	Difference	% increase.
1.	L. S.S. Barauli Rasulpur	1,21,824	2,74,892	1,53,068	125·6
2.	L. S.S. Chandausi South	88,152	1,23,293	35,141	39·9
3.	L. S.S. Palanpur	1,49,496	2,03,132	53,636	35·9
4.	L. S.S. Narauli	75,000	1,13,000	38,000	50·7
	TOTAL	4,34,472	7,14,317	2,79,845	64·4

NOTE:—One society's (Chandausi North) figures were not available.

Moga Market

APPENDIX

TABLE 1.1—*Agricultural Statistics—Moga Tehsil (1958-59)*

	Acres	%
TOTAL AREA	4,16,456	100·0
1. Cultivated Area	3,79,704	91·2
(a) Irrigated Area	2,30,596	55·4
(b) Unirrigated Area	1,49,108	35·8
2. Uncultivable	26,881	6·5
3. Culturable	8,952	2·1
4. Water-logged	919	0·2

TABLE 1.2—Crop Pattern—Moga Tehsil

TABLE 1.2—Crop Pattern—Moga Posh			Unit—(Acres)
Crops	1957—58	1958—59	Increase (+) Decrease (—)
I. Foodgrains			
Wheat	1,60,769 (40·2)	1,71,032 (41·7)	+10,263
Barley	5,543	2,926	—2,617
Maize	25,112	45,225	+20,113
Bajra	18,214	16,542	—1,672
Rice	3,415	5,357	+1,942
TOTAL	2,13,053 (53·3)	2,41,082 (58·8)	+28,029
II. Cash Crops			
Cotton	51,596 (12·9)	52,132 (12·7)	+536
Oilseeds	8,093	9,739	+1,646
Sugar-cane	2,621	2,621	—
Potatoes	225	124	—101
TOTAL	62,535 (15·6)	64,616 (15·7)	+2,081
III. Others			
Gram	1,10,629	97,806	—12,823
Pulses	13,633	6,351	—7,282
TOTAL	1,24,262 (31·1)	1,04,157 (25·5)	—20,105
GRAND TOTAL	3,99,850 (100·0)	4,09,855 (100·0)	+10,005

NOTE :—Figures in brackets are percentage to total.

SOURCE.— B.D.O. Office.

TABLE 1.3—Important Crop Statistics—Moga Tehsil (1954-55—1958-59)
(Acres)

Year	Total area under crops grown	Area under Wheat	Area under Gram	Area under Cotton
1954-55	4,37,033	92,214	55,115	30,631
1955-56	3,75,435	94,377	51,756	39,737
1956-57	4,24,448	1,05,305	49,909	46,660
1957-58	4,64,071	1,06,480	46,791	49,596
1958-59	N.A.	1,12,642	38,574	52,131

SOURCE :—Tehsil Records.

TABLE 1.4—Yearly arrivals of agricultural produce in Moga Market

(Mds.)

Year	Wheat	Gram	Cotton
1944-45	7,03,274	2,29,830	78,642
1954-55	5,23,716	3,11,234	2,06,346
1955-56	7,66,096	2,43,302	2,58,419
1956-57	8,91,452	2,64,651	2,55,179
1957-58	9,56,363	3,64,868	2,31,374
1958-59	N.A.	N.A.	N.A.

SOURCE :—Market Committee, Moga.

TABLE 1.5—Gill Cooperative Society (Thrift and Credit) (for 1958-59 ending July) Case Study

	Rs.	No.	of	Members
TOTAL CAPITAL	22,000			
(i) Central Bank	15,000	1958	—	44
(ii) Owned	7,000			
Loans advanced	20,400	1959	—	109
Recovery made	18,900			
Amount Outstanding	8,600			
Present Demand	50,000			
Sanctioned Demand	35,000			
Previous Sanctioned Demand	15,000			

TABLE 2.1—Area and Production

Size Group	No. of Producers	Total land cultivated	Wheat						Gram				Area—(Acres)	Production—(Mds.)
			1957-58		1958-59		1957-58		1958-59					
			Area	Production	Area	Production	Area	Production	Area	Production				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)				
1-10	17	121.25	79.0 (100.0)	872 (100.0)	780 (98.7)	932 (106.9)	29.0 (100.0)	239 (100.0)	27.0 (93.1)	219 (91.6)				
10-20	15	229.50	110.5 (100.0)	1,592 (100.0)	1,15.0 (104.1)	1,748 (109.8)	44.5 (100.0)	445 (100.0)	50.5 (113.5)	343 (77.1)				
20 and above	36	1,387.50	629.0 (100.0)	8,070 (100.0)	728.5 (115.8)	9,875 (122.4)	184.0 (100.0)	1,516 (100.0)	188.5 (102.5)	1,757 (115.9)				
TOTAL	68	1,738.25	818.5 (100.0)	10,534 (100.0)	921.5 (112.6)	12,555 (115.2)	257.5 (100.0)	2,200 (100.0)	266.0 (103.3)	2,319 (105.4)				

TABLE 2.1—Area and Production—(contd.)

Size Group	No. of Producers	Total land cultivated	Area—(Acres)						Production—(Mds.)					
			Maize			Cotton			1957-58			1958-59		
			Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
(1)	(2)	(3)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)				
1-10	17	121.25	48.25 (100.0)	121 (100.0)	19.75 (108.2)	105.5 (87.2)	18.75 (100.0)	99.0 (100.0)	21.0 (112.0)	99.0 (100.0)				
10-20	15	229.50	25.75 (100.0)	315 (100.0)	29.00 (112.6)	337.0 (107.0)	44.0 (100.0)	288.0 (100.0)	41.5 (94.3)	192.0 (66.7)				
20 and above	36	1,387.50	76.00 (100.0)	698 (100.0)	96.75 (127.3)	759.0 (108.7)	172.5 (100.0)	1,242.0 (100.0)	185.25 (105.7)	947.0 (76.3)				
TOTAL	68	1,738.25	120.00 (100.0)	1,134 (100.0)	145.50 (121.3)	1,201.5 (106.0)	235.25 (100.0)	1,629.0 (100.0)	247.75 (106.7)	1,238.0 (76.0)				

NOTE:—Figures in brackets show percentages.

TABLE 2.2—Sales of Wheat

(Mds.)

Size Group (acres)	No. of Producers	Total land Pro- ducti- vated (acres)	1957-58					1958-59							
			Total Pro- ducti- on	Sales during harvest period	Residual			Total Pro- ducti- on	Sales during harvest period	Residual					
					Sales off- period	Output kept for con- sump- tion & farm require- ments	Per capita			Sales during off- period	Output kept for con- sump- tion & farm require- ments	Per capita			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1-10	.	17	121.25	872	300	45	527	572	33.6	932	357	95	480	575	33.8
10-20	.	15	229.50	1,592	603	95	894	989	65.9	1,748	580	180	988	1,168	77.9
20 & above	.	36	1387.50	8,070	4,320	930	2,820	3,750	104.2	9,875	4,126	2,300	3,449	5,749	159.7
TOTAL	.	68	1738.25	10,534	5,223	1,070	4,241	5,311	78.1	12,555	5,063	2,575	4,917	7,492	110.2
Percentage	.		100.0	49.6	10.1	40.3	50.4			100.0	40.3	20.5	39.2	59.7	

TABLE 2.3—As per records of Market Committee, Moga
(Wheat arrivals during harvest period in Moga Market)

(Arrivals in mds.)

Week ending	WHEAT					GRAM				
	1958		1959		Percentage change	1958		1959		
	Average Price	Arrivals	Average Price	Arrivals		Average Price	Arrivals	Average Price	Arrivals	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
7th April	.	6,493	23.00	773	-88.1	10.52	829	17.58	1,001	
14th April	.	4,894	19.71	1,318	-73.1	10.43	1,007	14.91	1,010	
21st April	.	5,995	16.21	2,575	-57.0	10.98	3,337	13.01	2,151	
27th April	.	5,248	16.15	4,123	-21.4	11.11	5,919	12.56	5,323	
4th May	.	8,656	14.29	6,026	-30.4	10.60	10,532	12.31	15,241	
11th May	.	20,598	14.26	14,074	-31.7	10.78	12,669	12.77	25,697	
17th May	.	29,667	14.12	14,597	-50.8	11.00	12,049	14.07	21,899	
24th May	.	54,077	14.19	39,899	-26.2	11.31	12,348	13.30	44,563	
1st June	.	97,512	14.42	57,060	-41.5	11.48	14,005	13.08	42,886	
8th June	.	1,28,951	14.60	61,865	-52.0	12.41	15,019	12.96	26,280	
15th June	.	86,911	14.46	70,872	-18.5	12.81	10,369	12.81	14,575	
22nd June	.	53,789	14.37	72,800	+35.3	13.01	8,764	12.94	11,975	
29th June	.	31,046	14.45	70,170	+126.0	13.03	5,736	12.94	8,903	
5th July	.	23,675	14.51	26,568	+12.2	13.20	4,095	13.03	6,986	

(Arrivals in mds.)

TABLE 2.4—Case Study

M/s. RAGHBIR SINGH NARINDER SINGH (PUCCA ARHATIYAS)

Month	Purchases			Sales		
	1957-58	1958-59	% change	1957-58	1958-59	% change
(1)	(2)	(3)	(4)	(5)	(6)	(7)
April . . .	Nil	Nil	—	Nil.	Nil	—
May . . .	3,601	295	—91.8	Nil.	Nil	—
June . . .	6,316	5,800	—8.2	970	3,776	+289.3
Upto 15th July .	4,765	1,400	—70.6	1,200	Nil	—
TOTAL .	14,682	7,495	—58.5	2,170	3,776	+74.0

TABLE 2.5—Case Study

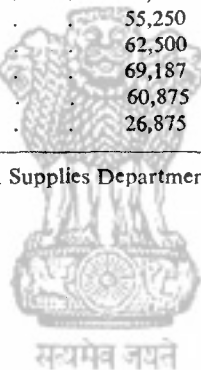
M/s. NASEEB CHAND SOHAN LAL MOGA (KACHA ARHATIYAS)

Month	1957-58 Arrivals	1958-59 Arrivals	% change	1957-58 Disposals	1958-59 Disposals	% change
April . . .	4,487	2,729	—39.2	7,949	2,729	—65.7
May . . .	20,559	8,025	—61.0	18,573	7,968	—57.1
June . . .	29,503	18,128	—38.6	23,983	16,759	—30.1
Upto 15th July .	8,312	2,787	—66.5	5,600	2,650	—52.7
TOTAL .	62,861	31,669	—49.6	56,105	30,106	—46.3

TABLE 2.6—*Govt. Purchases of Wheat at Moga during 1959*

Week-ending		1959 Arrivals of Wheat (in Mds.)	1959 Govt. Purchases of Wheat (in Mds.)	Percentage of Arrivals Purchased by Govt.
(1)	(2)	(3)		(4)
7th April	—	—	
14th April	—	—	
21st April	—	—	
27th April	—	—	
4th May	7,250	—	
11th May	12,250	—	
17th May	17,125	—	
24th May	39,250	11,238.6	28.6
1st June	57,125	17,529.0	30.7
8th June	55,250	23,459.8	42.5
15th June	62,500	41,813.5	66.9
22nd June	69,187	50,648.7	73.2
29th June	60,875	51,936.1	85.3
5th July	26,875	8,595.6	32.0

NOTE. :—Information from Food Supplies Department.

TABLE 2.7—*Week-end Arrivals, Purchases and Percentages of Purchases to Arrivals in Market-Bogha Purana*

Week-end		Arrivals (in Mds.)	Govt. Purchases (in Mds.)	Percent- age of Purchase to Arrivals
(1)	(2)	(3)	(4)	
1959				
14th June	28,879.1	16,582.9	57.4
21st June	28,988.0	15,000.6	51.7
28th June	22,999.8	19,044.2	82.8
TOTAL	80,866.9	50,627.7	62.6
5th July	13,024.2	6,295.7	48.3
12th July	7,139.5	—	—
19th July	9,779.7	—	—
TOTAL	29,943.4	6,295.7	21.0

TABLE 2-8—Place, Agency, Manner and Mode of Wheat Sales during 1957-58 and 1958-59

(Qty. in mds.—Value in Rs.)

Size of holding (acres)	1957-58						1958-59											
	Place of Sale			Agency of Receipt			Place of Sale			Manner of Disposal			Agency of Sale			Mode of Receipt		
	Qty.	Value	Mode	Qty.	Value	Mode	Qty.	Value	Mode	Qty.	Value	Mode	Qty.	Value	Mode	Qty.	Value	Mode
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)				
0-10																		
Inside	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Outside	345	5,300	5	Tr-8	345	5,300	C	452	6,520	5	Tr-8	452	6,520	C				
TOTAL	345	5,300	5	Tr-8	345	5,300	C	452	6,520	5	Tr-8	452	6,520	C				
10-20																		
Inside	—	—	—	—	—	—	—	20	300	5	V.Pr & Tr-2	20	300	C				
Outside	698	9,713	5	Tr-8	225 473	3,100 6,613	A C	740	10,919	5	Tr-8	325 415	4,880 6,039	A C				
TOTAL	698	9,713	5	Tr-8	698	9,713	—	760	11,219	5	—	760	11,219	—				
20 & above																		
Inside	10	135	5	C-4	10	135	C	5	70	5	Con-4	5	70	C				
Outside	5,240	7,8445	5	Tr-8	1,105 4,135	15,915 62,530	A C	6,416	95,435	5	Tr-8	1,655 4,766	24,175 71,260	A C				
TOTAL	5,250	78,580	5	—	5,250	78,580	—	6,421	95,505	5	—	6,421	95,505	—				
GRAND TOTAL	6,293	93,593	5	—	6,293	93,593	—	7,633	1,13,244	5	—	7,633	1,13,244	—				

1. Manner of Disposal—Sales on the day of arrivals—5.

2. Agency of Sales—Trader—8, Consumer—4, Village Producer and Trader—2.

3. Mode of Receipt—Full cash payment at the time of sales—C, Advance loans before harvesting of crops—A.

Bhatinda and three other Markets—Punjab

APPENDIX

STATEMENT 1—*Location of the Villages*

Sl. No.	Village	Location	Tehsil	District
<i>Bhatinda Market</i>				
1	Jassi Paawali	5 miles from Bhatinda- 1 furlong from pucca road.	Bhatinda	Bhatinda
2	Phoos Mandi	5 miles from Bhatinda- Bhatinda-Talwandi pucca road 1 mile from pucca road.	Do.	Do.
3	Kot Shameer	7 miles from Bhatinda on Bhatinda-Samrala road, on the roadside.	Do.	Do.
4	Talwandi Saabo Ke	18 miles from Bhatinda on Bhatinda Talwandi road, on the roadside. 9 miles from Rama Mandi Station.	Do.	Do.
5	Kot Bhara	14 miles from Bhatinda.	Do.	Do.
6	Bhoonder	12 miles from Bhatinda on Bhatinda-Talwandli road—2 miles from main road.	Do.	Do.
<i>Kot Kapura Market</i>				
7	Dhilwaan Kalan	3 miles from Kot Kapura	Faridkot	Do.
8	Khara	8 miles from Kot Kapura	Do.	Do.
9	Punj Graain Kalan	6 miles from Kot Kapura	Do.	Do.
<i>Barnala Market</i>				
10	Dhanaula Kalan	6 miles from Barnala	Barnala	Sangrur
11	Handaiya	4 miles from Barnala	Do.	Do.
<i>Jaitu Market</i>				
12	Baja Khana			

STATEMENT 2—Cropping pattern in the villages selected for Study

Village and market	Area under different crops											
	Wheat			Barley			Gram			Wheat-gram		
	1957-58	1958-59	(2)	1957-58	1958-59	(5)	1957-58	1958-59	(7)	1957-58	1958-59	(10)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Bhatinda market—												
1. Jassi Paawali . . .	424	403	104	132	233	992	241	—	45	18	334	340
2. Phoos Mandi . . .	144	231	113	54	134	320	58	—	4	6	41	113
3. Kot Shameer . . .	1,692	2,640	909	562	2,379	4,416	2,284	—	77	74	366	91
4. Talwandi Saabo . . .	1,968	2,271	46	9	4,543	4,043	206	223	13	27	277	424
5. Kot Bhara . . .	633	523	52	58	444	374	562	477	48	N.A.	93	N.A.
6. Bhoondeer . . .	377	116	33	49	257	301	420	212	14	29	93	60
Kot Kapura market—												
7. Dhilwaan Kalan . . .	956	2,682	59	167	1,037	1,560	1,710	—	35	124	223	156
8. Khara . . .	2,060	1,358	38	87	481	703	—	—	24	17	149	149
9. Punj Graain Kalan . . .	2,043	2,223	139	42	2,799	1,925	—	—	60	N.A.	646	N.A.
Barnala market—												
10. Dhanaula Kalan . . .	2,915	2,734	21	3	1,946	1,819	4,106	4,028	858	1,010	356	264
11. Handaiya . . .	3,044	3,033	379	354	1,199	1,723	1,981	1,970	916	537	829	144

STATEMENT 2—Cropping pattern in the villages selected for study—contd.

Village and market	Area under different crops										
	Cotton desi		Cotton American		Sugar cane		Oil seeds		Miscellaneous		
	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	
Bhatinda market—											
1. Jassi Paawali . . .	84	80	275	225	—	—	86	24	452	481	
2. Phoos Mandi . . .	35	40	84	88	—	—	36	7	359	236	
3. Kot Shameer . . .	1,472	1,365	1,157	906	3	3	1,573	292	2,418	844	
4. Talwandi Saabo . . .	617	1,318	1,727	1,040	—	2	53	82	1,735	937	
5. Kot Bhara . . .	285	N.A.	451	N.A.	3	N.A.	167	77	522	201 + N.A. kharif.	
6. Bhoondeer . . .	142	198	218	84	—	—	69	134	344	408	
Kot Kapura market—											
7. Dhilwaan Kalan . . .	97	509	1,456	1,023	3	1	235	88	931	1,312	
8. Khara . . .	171	211	1,117	1,186	4	—	55	83	861	597	
9. Punj Graain Kalan . . .	119	N.A.	935	N.A.	6	N.A.	69	165	1,325	491 + N.A. kharif.	
Barnala market—											
10. Dhanaula Kalan . . .	2,564	3,392	29	8	496	259	63	56	2,931	3,042	
11. Handaiya . . .	465	1,185	162	44	135	40	417	379	4,011	2,043	

STATEMENT 3—Wheat arrivals in the four selected markets of Bhatinda Region

(Figures in mds.)

Period	W H E A T								
	Bhatinda		Kot Kapura		Jaitu		Barnala		
	1958	1959	1958	1959	1958	1959	1958	1959	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>April</i>									
1st fortnight		3,102	1,468	10,338	1,893	3,139	806	6,685	1,442
2nd fortnight		2,857	1,662	11,222	2,826	3,970	729	7,030	955
TOTAL		5,959	3,130	21,560	4,719	7,109	1,535	13,715	2,397
<i>May</i>									
1st fortnight		5,330	2,970	25,784	14,459	6,633	3,570	26,169	11,372
2nd fortnight		14,164	5,391	91,520	39,629	26,492	18,520	85,973	41,836
TOTAL		19,494	8,361	117,304	54,088	33,125	22,090	112,142	53,208
<i>June</i>									
1st fortnight		12,862	11,758	138,375	85,332	62,009	35,208	89,351	88,953
2nd fortnight		6,801	10,096	56,961	62,783	30,229	36,437	36,611	97,681
TOTAL		19,663	21,854	195,336	148,115	92,238	71,645	125,962	186,634
<i>July</i>									
1st fortnight		4,278	6,904	46,697	24,087	15,223	18,556	24,371	35,843
2nd fortnight		4,846	—	33,705	—	11,460	—	18,915	—
TOTAL		9,124	—	80,402	—	26,683	—	43,286	—

STATEMENT 3—contd.

(Figures in mds.)

G R A M

Period	Bhatinda		Kot Kapura		Jaitu		Barnala	
	1958	1959	1958	1959	1958	1959	1958	1959
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<i>April</i>								
1st fortnight	5,039	1,610	7,014	2,156	2,231	1,329	2,110	552
2nd fortnight	5,556	22,500	19,298	19,978	8,099	9,558	39,365	1,713
TOTAL	10,595	24,110	26,312	22,134	10,330	10,887	41,475	2,265
<i>May</i>								
1st fortnight	3,601	82,021	28,198	90,253	10,738	43,777	74,489	25,257
2nd fortnight	4,842	55,831	34,176	89,886	9,970	33,724	61,916	34,061
TOTAL	8,443	137,852	62,374	180,139	20,708	77,501	136,405	59,318
<i>June</i>								
1st fortnight	3,058	51,416	37,974	76,787	8,418	38,552	38,150	41,514
2nd fortnight	1,279	31,750	21,798	39,449	3,823	29,551	11,180	26,143
TOTAL	4,337	83,166	59,772	116,236	12,241	68,103	49,330	67,657
<i>July</i>								
1st fortnight	668	18,382	21,546	28,233	3,861	34,524	8,322	10,760
2nd fortnight	1,275	—	11,890	—	1,794	—	7,257	—
TOTAL	1,943	—	33,436	—	5,655	—	15,579	—

NOTE.—Figures for July, 1959 (2nd fortnight) have not been given because the survey was finished before the end of the month.

STATEMENT 3-A—Trends in wheat and gram prices

(Figures expressed as percentage of Prices at Bhatinda)

Period	W H E A T								G R A M							
	1958				1959				1958				1959			
	Bha- tinda	Kot- Kapura	Jaitu Bar- nala	Jaitu Bar- nala	Bha- tinda	Kot- Kapura	Jaitu Bar- nala	Jaitu Bar- nala	Bha- tinda	Kot- Kapura	Jaitu Bar- nala	Jaitu Bar- nala	Bha- tinda	Kot- Kapura	Jaitu Bar- nala	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<i>April</i>																
1st fortnight	100.0	103.1	100.5	104.3	100.0	97.5	96.8	98.9	100.0	102.7	100.6	95.1	100.0	104.2	99.4	103.7
2nd fortnight	100.0	103.9	100.0	105.8	100.0	91.7	91.7	93.6	100.0	107.6	101.3	98.5	100.0	104.5	100.6	99.4
<i>May</i>																
1st fortnight	100.0	100.6	99.1	101.4	100.0	92.8	91.5	94.4	100.0	102.8	99.1	95.8	100.0	104.2	101.4	101.6
2nd fortnight	100.0	100.0	99.0	101.2	100.0	95.8	93.4	96.8	100.0	104.2	100.7	97.6	101.1	101.9	99.1	100.5
<i>June</i>																
1st fortnight	100.0	97.8	97.0	99.4	100.0	99.7	99.2	102.9	100.0	102.8	101.5	96.3	100.0	104.2	101.4	100.9
2nd fortnight	100.0	98.5	98.8	101.5	100.0	97.6	95.6	100.3	100.0	102.0	100.9	97.0	100.0	101.8	100.8	100.3
<i>July</i>																
1st fortnight	100.0	98.9	99.1	104.2	100.0	95.5	96.1	99.1	100.0	102.3	99.0	96.9	100.0	102.2	102.1	99.4

STATEMENT 4—Arrivals and prices in the Bhatinda Market—(wheat and gram)

(Qty. in mds. and prices in Rs.)

Period	ARRIVALS							WHEAT PRICES							1959 prices as % of 1958			
	Wheat			Gram				1958				1959						
	3 as % of 2		(4)	1958		1959		6 as % of 5	(7)	Min.		Aver.		(11)		(12)	(13)	(14)
	1958	1959		(2)	(3)	(5)	(6)			(8)	(9)	(10)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)					
<i>April</i>																		
First fortnight . . .	3,102	1,468	47.3	5,039	1,610	31.9	12.50	13.35	12.89	19.00	22.50	21.09	163.6					
Second fortnight . . .	2,857	1,662	58.2	5,556	22,500	400.5	12.00	13.00	12.67	16.00	18.25	17.31	136.6					
TOTAL	5,959	3,130	52.5	10,595	24,110	227.6												
<i>May</i>																		
First fortnight . . .	5,330	2,970	55.7	3,601	82,021	2,277.7	12.00	13.00	12.56	14.25	16.50	15.10	120.2					
Second fortnight . . .	14,164	53,91	38.1	4,842	55,831	1,153.1	12.45	13.25	12.76	13.75	14.91	14.54	113.9					
TOTAL	19,494	8,361	42.9	8,443	137,852	1,632.7												
<i>June</i>																		
First fortnight . . .	12,862	11,758	91.4	3,058	51,416	1,681.4	13.00	14.25	13.70	13.40	14.50	13.92	101.6					
Second fortnight . . .	6,801	10,096	148.4	1,279	31,750	2,482.4	13.00	14.00	13.73	13.50	14.90	14.38	104.7					
TOTAL	19,663	21,854	111.1	4,337	83,166	1,917.3												
<i>July</i>																		
First fortnight . . .	4,278	6,904	161.4	668	18,382	2,751.8	13.60	14.12	13.89	14.00	14.90	14.55	104.8					
Second fortnight . . .	4,846	—	—	1,275	—	—	13.62	15.00	14.35	—	—	—	—					
TOTAL	9,124	—	—	1,943	—	—												

STATEMENT 4—contd.

98

Period	GRAM PRICES								Government Purchases		
	1958				1959				1959 prices as percentage of 1958 prices	Quantity	as percentage of arrivals
	Min.	Max.	Average	Min.	Max.	Average					
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)		
<i>April</i>											
First fortnight	10.25	11.16	10.68	12.16	17.81	15.19	142.2	—	—	—	—
Second fortnight	10.50	11.12	10.76	11.50	13.39	12.33	114.6	—	—	—	—
<i>May</i>											
First fortnight	10.75	11.00	10.84	11.58	14.13	12.41	114.5	—	—	—	—
Second fortnight	10.81	11.75	11.26	12.50	13.65	12.98	115.3	—	—	—	—
<i>June</i>											
First fortnight	11.75	12.90	12.46	12.40	12.95	12.67	101.7	1,035	8.8	—	—
Second fortnight	12.50	13.15	12.87	12.40	13.20	12.75	99.1	1,377	13.6	—	—
<i>July</i>											
First fortnight	12.75	14.50	13.60	12.25	12.80	12.50	91.9	316	4.6	—	—
Second fortnight	14.36	15.01	14.79	—	—	—	—	—	—	—	—

STATEMENT 5—Arrivals, prices, Government purchases and exports by Rail from the Kot Kapura market

(Quantities in maunds and Prices in rupees)

Period	Wheat			ARRIVALS			Gram			WHEAT PRICES						1959 prices as percentage of 1958 prices
										1958			1959			
	3 as % of 2			6 as % of 5						Min.			Max.			
	1958	1959	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
<i>April</i>																
First fortnight	10,338	1,893	18.3		7,014	2,156	30.7	13.12	13.50	13.29	15.50	23.00	20.57	154.8		
Second fortnight	11,222	2,826	25.2		19,298	19,978	103.5	12.87	13.37	13.16	15.00	17.00	15.87	120.6		
TOTAL	21,560	4,719	21.9		26,312	22,134	84.1									
<i>May</i>																
First fortnight	25,784	14,459	56.1		28,198	90,253	320.0	12.25	13.12	12.76	13.50	14.25	14.02	109.9		
Second fortnight	91,520	39,629	43.3		34,176	89,886	263.0	12.37	13.25	12.76	13.62	14.25	13.93	109.2		
TOTAL	1,17,304	54,088	46.1		62,374	1,80,139	288.8									
<i>June</i>																
First fortnight	1,38,375	85,332	61.7		37,974	76,787	202.2	13.12	13.68	13.40	13.62	14.37	13.88	103.6		
Second fortnight	56,961	62,783	110.2		21,798	39,449	181.0	13.44	13.62	13.52	13.87	14.19	14.04	103.8		
TOTAL	1,95,336	1,48,115	75.8		59,772	1,16,236	194.5									
<i>July</i>																
First fortnight	46,697	24,087	56.1		21,546	28,233	131.0	13.47	14.06	13.74	13.50	14.05	13.90	101.2		
Second fortnight	33,705	—	—		11,890	—	—	14.25	14.84	14.52	—	—	—	—		
TOTAL	80,402	—	—		33,436	—	—									

STATEMENT 5—*contd.*

Period	GRAM PRICES										1959 Prices as % of 1958 Prices	Government pur- chases of Wheat	Export by (Wheat)		Rail									
	1958		1959																					
	Min.	Max.	Av.	Min.	Max.	Av.	(15)	(16)	(17)	(18)							(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)												
<i>April</i>																								
First fortnight	.	.	10.37	11.69	10.97	13.00	19.00	15.83	144.3	—	—	10,582	—	—										
Second fortnight	.	.	10.75	13.00	11.58	12.50	13.50	12.89	111.3	—	—	6,083	—	—										
<i>May</i>																								
First fortnight	.	.	10.93	11.37	11.14	12.10	14.44	12.93	116.1	—	—	4,900	818	16.7										
Second fortnight	.	.	11.25	12.18	11.73	12.65	13.87	13.23	112.8	10,099	25.5	13,256	5,854	44.2										
<i>June</i>																								
First fortnight	.	.	12.50	13.14	12.81	12.87	13.50	13.20	103.0	35,702	41.8	20,641	21,737	105.3										
Second fortnight	.	.	12.81	13.37	13.13	12.84	13.12	12.98	98.9	43,356	69.1	18,328	5,468	29.8										
<i>July</i>																								
First fortnight	.	.	13.37	14.62	13.92	12.50	31.21	12.77	91.7	7,853	32.6	12,086	1,774	14.7										
Second fortnight	.	.	14.75	15.56	15.19	—	—	—	—	—	—	18,556	—	—										

STATEMENT 6—*contd.*

102

Period	GRAM PRICES						1959 prices as % of 1958 prices	Government Pur- chases	
	1958			1959				Qty. Wheat	22 as % of 3
	Min.	Max.	Av.	Min.	Max.	Av.			
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<i>April</i>									
First fortnight	10.50	11.37	10.74	12.75	17.00	15.10	140.6	---	---
Second fortnight	10.62	11.25	10.90	11.87	12.75	12.40	113.8	---	---
<i>May</i>									
First fortnight	10.62	10.75	10.74	11.81	14.00	12.59	117.2	---	---
Second fortnight	10.62	11.75	11.34	12.50	13.25	12.86	113.4	2,584	13.9
<i>June</i>									
First fortnight	11.75	13.06	12.65	12.75	13.00	12.85	101.6	22,922	65.1
Second fortnight	12.75	13.19	12.99	12.50	13.00	12.85	98.9	28,244	77.5
<i>July</i>									
First fortnight	12.75	14.00	13.47	12.55	13.00	12.76	94.7	7,755	41.8
Second fortnight	14.12	14.75	14.46	---	---	---	---	---	---

STATEMENT 7—Arrivals, prices (wheat and gram) and Government purchases (Wheat) in Barnala Market :

(Quantities in mds. and Prices in Rs.)														
Period	ARRIVALS						WHEAT PRICES							1959 prices as % of 1958 prices
	Wheat			Gram			1958			1959				
	1958	1959	%3 as. of 2	1958	1959	%6 as. of 5	Min.	Max.	Av.	Min.	Max.	Av.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
<i>April</i>														
First fortnight	6,685	1,442	21.6	2,110	552	26.2	12.75	14.25	13.44	15.50	23.25	20.86	155.2	
Second fortnight	7,030	955	13.6	39,365	1,713	4.4	12.75	14.00	13.40	14.00	17.50	16.20	120.9	
TOTAL	13,715	2,397	17.5	41,475	2,265	5.5								
<i>May</i>														
First fortnight	26,169	11,372	43.5	74,489	25,257	33.9	12.37	13.00	12.74	14.00	14.56	14.25	111.9	
Second fortnight	85,973	41,836	48.7	61,916	34,061	55.0	12.50	13.50	12.92	13.75	14.50	14.07	108.9	
TOTAL	1,12,142	53,208	47.4	1,36,405	59,318	43.5								
<i>June</i>														
First fortnight	89,351	88,953	99.6	38,150	41,514	108.8	13.25	14.00	13.62	14.25	14.50	14.33	105.2	
Second fortnight	36,611	97,681	266.8	11,180	26,143	233.8	13.75	14.00	13.94	14.25	14.50	14.42	103.4	
TOTAL	1,25,962	1,86,634	148.2	49,330	67,657	137.2								
<i>July</i>														
First fortnight	24,371	35,843	147.1	8,322	10,760	129.3	14.12	15.00	14.47	14.12	14.50	14.42	99.7	
Second fortnight	18,915	—	—	7,257	—	—	14.50	15.25	14.95	—	—	—	—	
TOTAL	43,286	—	—	15,579	—	—								

STATEMENT 7—contd.

Period	GRAM				PRICES			1959 prices as % of 1958 Prices		Government Purchases	
	1958		1959		Min.	Av.	Max.	(20)	(21)	Qty.	22 as % of Col. 3
	Min.	Max.	Min.	Max.							
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)		
<i>April</i>											
First fortnight	9.50	11.00	10.16	14.50	18.00	15.75	155.0	—	—		
Second fortnight	10.25	11.00	10.60	11.04	14.00	12.26	115.7	—	—		
<i>May</i>											
First fortnight	10.25	10.62	10.39	11.56	14.00	12.61	121.4	—	—		
Second fortnight	10.50	11.44	10.99	12.50	13.50	13.04	118.7	19,148	45.8		
<i>June</i>											
First fortnight	11.56	12.12	12.00	12.44	13.19	12.79	106.6	80,244	90.2		
Second fortnight	12.31	12.75	12.48	12.62	12.87	12.79	102.5	61,195	62.6		
<i>July</i>											
First fortnight	12.50	14.00	13.18	12.12	13.00	12.43	94.3	11,069	30.9		
Second fortnight	13.75	14.50	14.02	—	—	—	—	—	—		

STATEMENT 8—Arrivals of kharif and rabi commodities (other than wheat and gram) in Bhatinda Market during 1958 and 1959.

(Qty. in mds.)												
Months of heavy arrivals	Barley		Sarson		Tara Mira		Months of heavy arrivals	Cotton American		Maize		
	1958	1959	1958	1959	1958	1959		57-58	58-59	57-58	58-59	
February	.	N.A.	N.A.	N.A.	N.A.	N.A.	October	..	11,023	11,980	—	57
March	.	N.A.	N.A.	N.A.	N.A.	N.A.	November	..	44,726	40,518	177	54
April	.	3,814	2,556	1,956	7,247	607	December	..	47,515	52,984	750	593
May	.	3,592	9,218	584	4,827	1,325	January	..	12,047	22,431	720	330
June	.	2,305	6,739	314	2,653	805	February	..	17,203	23,876	539	156
July	.	749	1,501	169	236	192	March	..	10,193	6,922	429	41
TOTAL UPTO 30 JUNE	9,711	18,513	2,854	14,727	4,224	2,737	TOTAL		1,42,707	1,58,711	2,615	1,231

Note: Figures for July, 1959 are only for the first fortnight.

STATEMENT 9— *Arrivals of kharif and rabi commodities*
(in mds.)

Months of heavy arrivals	Barley		Sarson		Tara Mira		Months of heavy arrivals	Cotton
	1958	1959	1958	1959	1958	1959		57-58
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
February .	298	50	84	178	338	120	October	7,699
March .	425	75	2,560	1,824	485	101	November	23,789
April .	3,377	3,618	8,129	25,428	2,266	825	December	24,310
May .	5,198	7,146	2,945	14,036	2,191	2,114	January	34,318
June .	3,682	3,905	3,809	3,691	961	829	February	14,939
July .	1,162	763	1,282	736	672	301	March	13,407
TOTAL UP TO JUNE 30	12,980	14,794	17,527	45,157	6,241	3,989	TOTAL	1,18,462

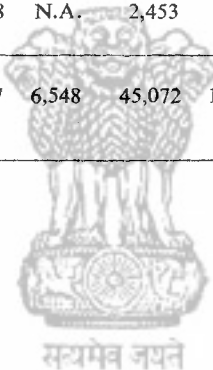
NOTE: Figures for July 1959 are only for the first fortnight.

STATEMENT 10— *Arrivals of kharif and rabi commodities*

Months of heavy arrivals	Barley		Sarson		Tara Mira	
	1958	1959	1958	1959	1958	1959
February	5	12	34	803	3	13
March	26	—	9,198	1,185	3	2
April	325	229	8,494	11,105	94	21
May	611	555	2,102	7,899	268	136
June	364	244	1,002	2,325	197	232
TOTAL UPTO 30 JUNE	1,331	1,040	20,830	23,317	565	404

(other than Wheat and Gram) in Kot Kapura Market

Cotton		Cotton American		Maize		Bajra		Urd		Moth	
1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	58-59	1957-58	1958-59	1957-58	1958-59	1957-58
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
20,617	10,645	7,221	427	1,123	40	176	39	4	8	—	—
24,534	52,836	33,411	1,285	2,206	6,156	5,107	1,799	2,987	45	43	—
23,200	55,760	60,017	2,652	1,394	16,473	1,435	3,148	8,284	1,88	255	—
12,110	66,828	35,145	2,726	913	13,334	4,566	2,230	2,601	183	163	—
11,406	28,920	37,764	1,599	912	6,616	895	663	956	25	94	—
4,251	10,216	17,153	1,198	N.A.	2,453	181	659	309	66	1	—
96,118	225,205	190,711	9,887	6,548	45,072	12,360	8,538	15,141	515	556	—

*(other than wheat and gram) in Barnala Market.*

Months of heavy arrivals			Cotton desi		Cotton American		Maize	
			1957-58	1958-59	1957-58	1958-59	1957-58	1958-59
October	..	..	29,196	36,966	83	45	45	5,221
November	..	..	59,560	44,580	178	381	7,277	29,256
December	..	..	44,983	56,111	1,511	2,588	28,430	26,371
January	..	..	44,324	35,618	1,344	389	24,398	4,299
February	..	..	25,504	19,636	433	374	5,089	570
March	..	..	31,485	15,191	1,137	449	6,715	293
TOTAL	..	..	235,052	2,08,102	4,686	4,226	71,954	66,010

STATEMENT 11—Arrivals, exports and purchases of wheat in the markets of Bhatinda Circle upto 30-6-1959.

Market	Arrivals in Standard bags upto 30-6-59	Arrivals ex- pected upto 30-4-60	Purchases by the Govt. upto 30-6-59		Total	Balance lifted other than Govt. purchases in standard bags.		Details of left stocks		
			Superior	Dara		Total	left	Local storage	Exported	Consumers
Bhatinda	.	7,090	9,000	Nil	886	886	6,204	2,000	Nil	4,204
Rampura Phul	.	29,596	44,344	294	13,839	14,133	15,463	7,905	2,236	5,322
Mansa	.	19,885	45,800	220	16,293	16,513	3,372	1,200	Nil	2,172
Faridkot	.	28,997	58,783	328	12,968	13,296	15,701	2,000	6,651	7,050
Kot Kapura	.	74,312	93,300	13,705	20,446	34,151	40,161	8,000	29,161	3,000
Jaitu	.	35,800	20,000	2,289	16,951	19,240	16,560	3,000	9,560	4,000
Gonaina	.	4,032	6,000	Nil	1,990	1,990	2,042	1,000	Nil	1,042
Maur	.	10,034	12,000	2,008	3,452	5,460	4,574	1,000	1,379	2,195
Budhlada	.	17,900	19,000	Nil	13,062	13,062	4,838	1,500	2,000	1,338
Bareta	.	10,000	12,000	Nil	5,450	5,450	4,550	3,538	Nil	1,012
Raman	.	4,088	6,000	21	811	832	3,256	1,500	Nil	1,756
Bhuchhu	.	3,845	5,000	860	847	1,707	2,138	1,000	Nil	1,138
Total	.	2,45,589	331,227	19,725	106,995	1,26,720	1,18,859	33,643	50,987	34,229

STATEMENT 12—*Targets of government procurement and actual procurement upto 11-7-59 in the markets of Bhatinda Region district.*

(in Tons)

Market	Target of Procurement	Procurement upto 11-7-59
1. Bhatinda	500	100.2
2. Rampura Phul	2,000	15,19.8
3. Mansa	1,200	1,835.8
4. Faridkot	1,500	1,520.1
5. Kot Kapura	6,000	3,563.9
6. Jaitu	2,500	2,259.5
7. Goniana	600	216.2
8. Maur	600	594.8
9. Budhlada	600	1,401.2
10. Bareta	600	616.3
11. Raman	400	88.6
12. Bhuchhu*	300	176.9

*Bhuchhu is situated in district Ferozepore. For administrative convenience, the market has been put under the charge of the District Food and Supplies Controller, Bhatinda district.

TABLE 1—Total quantity and proportion of Wheat produced,

Region	Total Land Cultivated (in acres)	Area under wheat		4 as % of 3	Total output		7 as % of 6
		1957-58	58-59		1957-58	58-59	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Small Producers							
1. Bhatinda	52.2	12.3	17.0	138.2	164	205	125.0
2. Kot Kapura	10.9	3.3	4.2	127.3	70	75	107.1
3. Barnala	—	—	—	—	—	—	—
4. Jaitu	8.3	N.A.	2.1	N.A.	N.A.	N.A.	N.A.
Medium Producers							
1. Bhatinda	172.6	39.6	41.7	105.3	451	557	123.5
2. Kot Kapura	202.5	56.7	57.0	100.5	793	866	109.2
3. Barnala	16.7	6.7	5.0	74.6	100	140	140.0
4. Jaitu	35.0	N.A.	20.8	N.A.	N.A.	375	N.A.
Big Producers							
1. Bhatinda	1,091.6	189.5	193.7	102.2	2,295	1,981	86.3
2. Kot Kapura	476.7	147.4	143.6	97.4	2,485	2,500	100.6
3. Barnala	536.9	174.1	197.6	113.5	2,348	3,030	301.5
4. Jaitu	112.5	17.5	30.9	176.6	580	845	145.7
All							
1. Bhatinda	1,316.4	241.4	252.4	104.6	2,910	2,743	94.3
2. Kot Kapura	690.1	207.4	204.8	98.7	3,348	3,441	102.8
3. Barnala	553.6	180.8	202.6	112.1	2,448	3,170	129.5
4. Jaitu	155.8	17.5	53.8	307.4	580	1,220	210.3

sold and held in stock by the producers.

(Area in acres and quantity in mds.)

Output per acre		Total Sales		12 as % of 11	11 as % of 6	12 as % of 7	Value of Sales		17 as % of 16
57-58	58-59	57-58	58-59				57-58	58-59	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
(1—10 acres)									
13.3	12.1	nil	30	Nil	Nil	14.6	Nil	467	467
21.2	17.9	2.0	7	350.0	2.9	9.3	26.0	112	430.8
—	—	—	—	—	—	—	—	—	—
N.A.	N.A.	N.A.	20	N.A.	N.A.	—	N.A.	245	N.A.
(10—20 acres)									
11.4	13.4	84	105	125.0	18.6	18.9	1,122	1,518	135.3
14.0	15.2	305	218	71.5	38.5	25.2	4,656	3,144	67.6
14.9	28.0	—	—	—	—	—	—	—	—
N.A.	18.0	N.A.	240	N.A.	N.A.	64.0	N.A.	3,700	N.A.
(20 acres and above)									
12.1	10.2	639	65	10.2	27.8	3.3	9,182	945	10.3
16.9	17.4	915	287	31.4	36.8	11.5	14,553	4,189	28.8
13.5	15.3	1,005	945	94.0	42.8	31.2	14,258	13,108	91.9
33.1	27.3	N.A.	210	N.A.	N.A.	24.9	N.A.	3,153	N.A.
Producers									
12.1	10.9	723	200	27.7	24.8	7.3	10,304	2,930	28.4
16.1	16.8	1,222	512	41.9	36.5	14.9	19,235	7,454	38.7
13.5	15.6	1,005	945	94.0	41.1	29.8	14,258	13,108	92.0
33.1	22.7	N.A.	470	N.A.	N.A.	38.5	N.A.	7,098	N.A.

TABLE 2—Total quantity and proportion of Gram

Region	Total land culti- vated	Area under gram		3 as % of 2	Total output		6 as % of 5
		57-58	58-59		57-58	58-59	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Small Producers							
1. Bhatinda . . .	52.2	16.4	26.2	159.8	29	219	755.2
2. Kot Kapura . . .	10.9	1.7	2.5	147.1	12	23	191.7
3. Barnala . . .	—	—	—	—	—	—	—
4. Jaitu . . .	8.3	N.A.	6.2	N.A.	N.A.	N.A.	—
Medium Producers							
1. Bhatinda . . .	172.6	28.4	75.7	266.5	160	838	523.8
2. Kot Kapura . . .	202.5	36.9	64.4	174.5	403	893	221.6
3. Barnala . . .	16.7	5.0	5.8	116.0	60	80	133.3
4. Jaitu . . .	35.0	N.A.	5.8	—	N.A.	75	—
Big Producers							
1. Bhatinda . . .	1,091.6	117.9	461.4	391.4	602	5,243	870.9
2. Kot Kapura . . .	476.7	60.9	96.7	158.8	792	1,406	177.5
3. Barnala . . .	536.9	39.7	38.5	107.8	780	923	118.3
4. Jaitu . . .	112.5	8.3	32.5	391.6	100	455	455.0
All							
1. Bhatinda . . .	1,316.4	162.7	563.3	346.2	791	6,300	796.5
2. Kot Kapura . . .	690.1	99.5	163.6	135.5	1,207	2,322	192.4
3. Barnala . . .	553.6	40.7	44.3	108.8	840	1,003	119.4
4. Jaitu . . .	155.8	8.3	44.5	536.1	100	530	530.0

produced, sold and held in stock by the producers.

(Qty. in mds.)
(Price in Rs.)

Output per acre (mds.)		Total Sales (mds.)		11 as % of 10	10 as % of 5	11 as % of 6	Value of Sales		16 as % of 15
57-58	58-59	57-58	58-59				57-58	58-59	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
(1—10 acres)									
1·8	8·4	Nil	15	—	—	6·8	Nil	195	—
7·1	9·2	Nil	5	—	—	—	Nil	63	—
—	—	—	—	—	—	—	—	—	—
N.A.	N.A.	N.A.	Nil	—	—	—	N.A.	Nil	—
(10—20 acres)									
5·6	11·1	10	241	241·0	6·3	28·8	120	2,944	2,453
10·9	13·9	105	140	133·3	26·1	15·7	1,190	1,840	154·7
12·0	13·8	—	—	—	—	—	—	—	—
N.A.	12·9	Nil	Nil	Nil	—	—	N.A.	Nil	—
(20 acres and above)									
5·1	11·4	148	2,167	1,464·2	24·6	41·3	1,825	26,069	1,429
13·0	14·5	450	110	24·4	56·8	7·8	7,830	1,320	168
21·8	24·0	317	405	127·8	40·6	43·9	3,194	5,106	160
12·0	14·0	N.A.	133	—	—	29·2	N.A.	1,712	—
Producers									
4·9	11·2	158	2,423	1,533·5	20	38·5	1,945	29,208	1,502
12·1	14·2	555	255	45·9	46·0	11·0	9,020	3,223	35·7
20·6	22·6	317	405	127·8	37·7	40·4	3,194	5,106	160
12·0	11·9	N.A.	133	—	—	25·1	N.A.	1,712	—

TABLE 3—Details relating to the disposal of wheat by the producers

Land cultiva- ted (size group) (in acres)	Market	Total sales		Sales during harvest period				Stocks sold/kept for sale in off period.					
		1957-58	1958-59*	1958	% of total	1959	% of total	Col. 7 as % of col. 5	1957-58	% of total	1958-59	% of total	Col. 12 as % of col. 10
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
0-10	1. Bhatinda	.	30	Nil	..	30	100.0	..	Nil	..	..	..	..
	2. Kot Kapura	.	2	2	100.0	7	100.0	350.0	..	..	..	..	..
	3. Barnala	.	..	..	..	..	..	..	..	..	..	..	..
	4. Jaitu	.	..	20	N.A.	..	20	100.0	..	N.A.	..	..	..
10-20	1. Bhatinda	.	84	105	84	100.0	91.3	125.0	Nil	..	10	8.7	..
	2. Kot Kapura	.	305	218	270	88.5	91.6	87.4	35	11.5	20	8.4	57.1
	3. Barnala	.	..	..	..	..	..	..	..	..	..	..	..
	4. Jaitu	.	N.A.	240	N.A.	..	240	100.0	..	N.A.	..	..	..
20 and above	1. Bhatinda	.	639	65	493	77.1	65	30.2	13.2	146	22.9	150	69.8
	2. Kot Kapura	.	915	287	225	24.6	287	24.7	127.6	690	75.4	876	75.3
	3. Barnala	.	1,005	945	855	85.1	945	62.2	110.5	150	14.9	575	37.8
	4. Jaitu	.	N.A.	210	N.A.	..	210	100.0	..	N.A.	..	..	..
TOTAL	1. Bhatinda	.	723	200	577	79.8	200	55.6	34.7	146	20.2	160	44.4
	2. Kot Kapura	.	1,222	512	497	40.7	512	36.4	103.0	725	59.3	896	63.6
	3. Barnala	.	1,005	945	855	85.1	945	62.2	110.5	150	14.9	575	37.8
	4. Jaitu	.	N.A.	470	N.A.	..	470	100.0	..	N.A.	..	..	..

* Harvest period only. @ Total stocks available for sale.

TABLE 3—*contd.*

Land cultivated size group (acres)	Market	*Agencies of Sale		Place of Sale			
		1957-58		1958-59		Inside	
		(15)	(16)	(17)	(18)	1957-58	1958-59
(1)	(2)	(15)	(16)	(17)	(18)	(19)	(20)
0—10	1. Bhatinda	..	30-K.A.	..	..	..	30 (100-0)
	2. Kot Kapura	2-K.A.	7-K.A.	..	..	2 (100-0)	7 (100-0)
	3. Barnala	..	..	..	..	..	..
	4. Jaitu	N.A.	20-K.A.	N.A.	..	N.A.	20
10—20	1. Bhatinda	44-K.A. 40-V.T.	25-K.A. 50-V.T. 30-Cons.	40 (47-6)	80 (76-2)	44 (52-4)	25 (23-8)
	2. Kot Kapura	305-K.A.	218-K.A.	..	..	305 (100-0)	218 (100-0)
	3. Barnala	..	..	..	..	..	..
	4. Jaitu	N.A.	240-K.A.	N.A.	..	N.A.	240
20 and above	1. Bhatinda	233-K.A. 20-V.T. 15-Cons. 225-L.T.	5-K.A. 60-Cons.	406 (63-5)	60 (92-3)	233 (36-5)	5 (7-7)
	2. Kot Kapura	789-K.A. 126-C.S.	287-K.A.	126 (13-8)	..	789 (86-2)	287 (100-0)
	3. Barnala	755-K.A. 100-C.S.	695-K.A. 150-C.S.	150 (14-9)	100 (10-6)	855 (85-1)	845 (89-4)
	4. Jaitu	150-Cons. N.A.	100-Cons. 210-K.A.	N.A.	..	N.A.	210

TABLE 3—Details relating to the disposal of wheat by the producers—concl'd.

(1)	(2)	(15)	(16)	(17)	(18)	(19)	(20)
1.	Bhatinda	277-K.A. 60-V.T. 15-Cons. 225-L.T.	60-K.A. 50-V.T. 90-Cons.	446 (61.7)	140 (70.0)	277 (38.3)	60 (30.0)
TOTAL	2. Kot Kapura	1096-K.A. 126-C.S.	512-K.A.	126 (10.3)	..	1096 (89.7)	512 (100.0)
	3. Barnala	755-K.A. 100-C.S. 150-Cons.	695-K.A. 150-C.S. 100-Cons.	150 (14.9)	100 (10.6)	855 (85.1)	845 (89.4)
	4. Jaitu	N.A.	470-K.A.	N.A.	...	N.A.	470

*Agencies of Sale : K.A.—Kacha Arhatiya ; V.T.—Village Trader; L.T.—Local Trader; C.S.—Co-operative Society; Cons.—Consumers.

TABLE 4—Details relating to the disposal of Gram by the producers

Land cultivated (size group) (acres)	Market	Total sales		Sales during harvest period					Stock sold/to be sold in off period				
		1957-58	1958-59*	1958 % of total	1959	@ % of total	7 5	1957-58 % of total	1958-59 % of total	12 10			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
0-10	1. Bhatinda . . .	..	15	..	..	15	100.0	..	..	..	..	..	..
	2. Kot Kapura . . .	..	5	..	..	5	100.0	..	..	..	..	..	..
	3. Barnala . . .	..	..	..	..	..	..	..	..	..	..	..	..
	4. Jaitu . . .	N.A.	..	N.A.	..	..	..	..	N.A.	..	..	..	..
10-20	1. Bhatinda . . .	10	241	10	100.0	241	94.1	2410.0	..	..	15	5.9	..
	2. Kot Kapura . . .	105	140	105	100.0	140	66.7	133.3	..	..	70	33.3	..
	3. Barnala . . .	..	..	..	..	..	..	..	..	..	..	..	..
	4. Jaitu . . .	N.A.	..	N.A.	..	..	..	..	N.A.	..	..	..	..
20 and above	1. Bhatinda . . .	148	2,167	148	100.0	2,167	97.7	1464.2	..	..	50	2.3	..
	2. Kot Kapura . . .	450	110	10	2.2	110	25.9	1100.0	440	97.8	314	74.1	71.4
	3. Barnala . . .	317	405	317	100.0	405	80.2	127.8	..	..	100	19.8	..
	4. Jaitu . . .	N.A.	133	N.A.	..	133	100.0	..	N.A.	..	..	..	..
TOTAL	1. Bhatinda . . .	158	2,423	158	100.0	2,423	97.4	1533.5	..	..	65	2.6	..
	2. Kot Kapura . . .	555	255	115	20.7	255	39.9	221.7	440	79.3	384	60.1	87.3
	3. Barnala . . .	317	405	317	100.0	405	80.2	127.8	..	..	100	19.8	..
	4. Jaitu . . .	N.A.	133	N.A.	..	133	100.0	..	N.A.	..	..	..	..

TABLE 4—Details relating to the disposal of Gram by the producers—contd.

Land cultivated (size group) (acres)	Market	† Agencies of Sale		Place of Sale			
		1957-58	1958-59	Inside		Outside	
				1957-58	1958-59	1957-58	1958-59
(1)	(2)	(15)	(16)	(17)	(18)	(19)	(20)
0—10	1. Bhatinda	.	15-K.A.	..	..	..	15 (100·0)
	2. Kot Kapura	.	5-K.A.	..	..	..	5 (100·0)
	3. Barnala	.	..	..	..	..	..
	4. Jaitu	.	..	N.A.	..	N.A.	..
10—20	1. Bhatinda	.	241-K.A.	..	..	10 (100·0)	241 (100·0)
	2. Kot Kapura	.	80-K.A.	..	..	105 (100·0)	140 (100·0)
	3. Barnala	.	60-C.S.	..	..	..	..
	4. Jaitu	.	..	N.A.	..	N.A.	..
20 and above	1. Bhatinda	.	148-K.A.	..	1400 (64·6)	148 (100·0)	767 (35·4)
	2. Kot Kapura	.	450-K.A.	..	..	450 (100·0)	110 (100·0)
	3. Barnala	.	317-K.A.	..	50 (12·3)	317 (100·0)	355 (87·7)
	4. Jaitu	.	N.A.	N.A.	..	N.A.	133 (100·0)
TOTAL	1. Bhatinda	.	158-K.A.	..	1400 (57·8)	158 (100·0)	1023 (42·2)
	2. Kot Kapura	.	555-K.A.	..	..	555 (100·0)	255 (100·0)
	3. Barnala	.	317-K.A.	..	50 (12·3)	317 (100·0)	355 (87·7)
	4. Jaitu	.	N.A.	N.A.	..	N.A.	133 (100·0)

* Harvest period only.

@ Total Stocks available for Sale.

† Agencies of Sale; K.A.—Kacha Arhatiya;

V.T.—Village Trader; L. T.—Local Trader; Cons.—Consumers; C.S.—Co-operative Society.

TABLE 5—Monthly average prices of wheat (superior) in Kot Kapura during the period 1954-55 to 1959-60.

(Price in Rs. & nP.)

Year	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
1954-55	.	.	.	.	.	.	.	.	.	.	.	.
	15.31	12.94	11.15	12.00	13.00	13.93	14.56	13.93	13.84	14.44	13.69	12.84
1955-56	.	.	.	.	.	.	.	.	.	.	.	.
	12.81	11.62	11.81	12.56	12.87	12.12	12.75	13.81	14.69	15.31	15.87	16.47
1956-57	.	.	.	.	.	.	.	.	.	.	.	.
	15.25	14.25	15.00	15.37	16.03	15.50	16.12	17.00	16.75	17.00	17.97	17.37
1957-58	.	.	.	.	.	.	.	.	.	.	.	.
	17.19	17.35	17.00	16.37	16.00	15.69	16.87	16.50	15.75	15.12	14.62	14.75
1958-59	.	.	.	.	.	.	.	.	.	.	.	.
	14.87	15.25	15.75	16.84	17.00	17.37	17.75	18.60	21.42	22.50	23.50	23.05
1959-60	.	.	.	.	.	.	.	.	.	.	.	.
	23.53	17.25	17.00	16.50	.	.	.	.	.	.	.	.

TABLE 6—Weekly arrivals and government purchases of wheat in the four selected markets of Bhatinda Region.

Week Ending	ARRIVALS								GOVERNMENT PURCHASES			
	Bhatinda		Kot Kapura		Jaitu		Barnala		Bhatinda	Kot Kapura	Jaitu	Barnala
	1958	1959	1958	1959	1958	1959	1958	1959	1959	1959	1959	1959
June 1—7 . . .	8,474	4,636	72,496	37,971	38,525	14,943	55,997	43,207	144·27	9445·34	7022·76	27417·54
8—14 . . .	4,388	6,151	65,879	38,234	23,484	17,015	33,354	35,028	827·49	21721·56	13689·94	44819·91
15—21 . . .	4,134	4,561	37,303	33,489	16,241	17,971	20,944	54,737	522·62	18847·13	13166·31	33239·74
21—28 . . .	1,758	4,311	19,486	26,398	9,631	15,665	11,880	37,830	353·86	24383·68	14108·13	30673·68
June 29—July 5 .	2,616	4,421	28,584	21,542	10,368	13,106	15,090	32,093	794·82	11426·96	8193·22	15906·01
July 6—12 . . .	1,495	3,108	11,837	8,620	7,907	7,537	9,183	11,776	84·38	1086·08	2741·05	453·97
TOTAL . . .	22,865	27,188	2,35,585	1,66,254	1,06,156	86,237	1,46,448	2,14,671	2,727·44	77910·75	58921·41	152510·85

(Qty. in mds.)



WEST BENGAL, ORISSA AND BIHAR

The survey in the selected areas of West Bengal, Orissa and Bihar was conducted by the Agro-Economic Research Centre for East India, Visva-Bharati, Santiniketan under the guidance of the Director of the Centre, Dr. J. P. Bhattacharjee.

सत्यमेव जयते

SECTION 1

INTRODUCTION

1. This report deals with the findings of a quick survey conducted by the Agro-Economic Research Centre for East India mainly to ascertain facts about the flow of market supplies, and about the nature of the marketing channel in respect of foodgrains in the States of Bihar, Orissa and West Bengal in the year 1958-59. The survey was undertaken at the request of the Directorate of Economics and Statistics, Ministry of Food and Agriculture, Government of India. The necessity for the survey arose on account of non-availability of a clear and reliable picture about the current situation in the field of marketing of foodgrains in the country. From out of the mass of conflicting reports from various parts of India there emerged one common feature seemingly characterizing the foodgrains markets in the country namely that the market flows and arrivals in the year 1959 had been below expectations in spite of the fact that in most of the States, West Bengal being a notable exception, the level of production of foodgrains recorded a substantial increase over the previous year. The lifting of all controls on the prices of paddy and rice in West Bengal on 24th June, signifying as it did an admission of the failure of the State Government to administer its foodgrains programme was an ominous sign and served to add a note of emergency to the current situation. It is in this context that the survey was undertaken by the Agro-Economic Research Centre and conducted within the limitations imposed by time and personnel.

Scope of the Survey

2. The survey was confined to the States of Bihar, Orissa and West Bengal. Among these States, West Bengal and Orissa are major producers as well as consumers of rice; Bihar, on the other hand, does not show as high a degree of specialization in production and consumption of rice as the other two States. In Bihar, rice is supplemented by wheat and maize in cereal production as well as consumption. The different foodgrain crops included in the scope of our enquiry in each State were dictated by this pattern of their distribution. In West Bengal and Orissa, the enquiry was confined to the market supplies and prices of paddy and rice, while in Bihar wheat and maize were added to paddy and rice. The survey had been designed largely to assess the position in respect of market supply, prices etc. of these foodgrains in the crop harvest year 1958-59 in relation to the position as it obtained in 1957-58. An attempt was made to assess the changes over this period as well as to analyse the causes thereof. A special emphasis was also laid on the analysis of the conditions during the period of investigation and the few weeks preceding it.

Specific Objectives of the Enquiry

3. The main purpose of the enquiry was to find out (i) if the marketings of rice and/or wheat in the harvest year 1958-59 were smaller than in 1957-58, (ii) the extent of increase or decrease in production in 1958-59 over 1957-58, (iii) the approximate relationship of marketings to production in the two years, (iv) the seasonal pattern of marketings of these food-grains by farmers and of arrivals and despatches in the markets in the

two years, (v) the nature and volume of business and the manner of conducting it by the millers, wholesalers and retailers in foodgrains during the two years, (vi) the role of the Government in the foodgrains markets and its impact and (vii) the manner and extent of stock-holding by producers of different classes.

Design of the survey

4. In view of the fact that the survey was to be completed and its report submitted to the Directorate of Economics and Statistics by the first week of August, the investigation work had to be confined to a few important markets and their hinterland in each of these States. With the available resources of the Centre, it was not possible to cover more than five markets. In selecting these five markets account was taken of the past investigations conducted by the Centre. Information available from these was expected to be useful for purposes of inference and generalization. The following markets were accordingly included in the design of the survey :

West Bengal : Bolpur and Burdwan

Orissa : Balasore

Bihar : Begusarai and Monghyr.

Data were collected from each of these markets, with the help of schedules copies of which are given in the appendix. Facts and information were collected not only from the marketing agencies and market functionaries but also from the government officials posted in these areas.

The second part of the investigation concerned the behaviour of the producers of foodgrains in the supply areas of each of these markets. For the purpose of field work, 6 to 8 villages were selected from the surrounding hinterland of each market and data regarding production, stock-holdings and price response patterns were collected from 10 farmers in each. The selection of the farmers was made on the basis of the size of holdings. A copy of the schedule used for collection of data from the producers is to be found in the Appendix.

Reliability of the data

5. It should be mentioned here that there was large-scale concealment of facts from our Research Investigators and Officers both by the market functionaries (traders, dealers and millers), and by the large producers in the villages. This was, of course, fully foreseen at the time of the starting of the investigation. The investigating staff of the Centre were fully conscious of this fact and tried their best to obtain as reliable a picture of the current position as possible on the basis of their independent judgment. Rumours in newspapers and markets also added to the difficulty faced by them in their work. One fact stands out clearly from our experience with this survey. The large producers and the market agencies in this part of India, particularly in West Bengal are highly sensitive and extremely well-informed about developments in areas outside of their markets. It is doubtful, therefore, if there could have been any improvements in the data collected in the course of this short investigation, unless the survey work had been spread over a long period. On the whole, the analysis presented in this report can be taken as fairly representative of the condition of the market and the behaviour of the producers and the market agencies in the respective

States, even though none of the numerical data can be used for making any strictly accurate *statistical estimate*. The sample was not random.

Scheme of the report

6. Since the investigations had to be completed, and the report prepared within a very short time, it was not possible to cover the different States and markets with the same degree of thoroughness. The study of the markets in Bihar could not be made as detailed as we wanted. Shortage of time forced us to wind up the investigations before these were complete. There are four Sections in the report, in addition to the introductory one. The second, the third and the fourth Sections deal with the conditions in the States of West Bengal, Orissa and Bihar respectively. The scheme of analysis for each State includes first a brief account of the position of the State in respect of production of foodgrains under study and a brief account of the market in the principal foodgrains, secondly, an analysis of the data collected from the producers regarding acreage and production of crops, receipts and disposals in various forms and their pattern in the last two years, thirdly, the pattern of the market arrivals, despatches, and stock position over this period along with an account of price variations, fourthly, changes in the organization of the market and in its functions, fifthly, the impact of the government control on the behaviour of the market and of the producers along with a detailed analysis of prices and market conditions during the period of investigation, sixthly, ways in which government control orders have been evaded and finally, an assessment of the conditions likely to prevail in the remaining part of the year 1958-59. In the last Section of the report an attempt has been made to briefly tie together the different findings in terms of certain broad conclusions derived on the basis of these.

Acknowledgement

7. The investigation work started from about the 17th of July and continued till the 31st. It had thus to be completed within a period of two weeks including the time spent on transportation and travels. All the members of the staff of the Agro-Economic Research Centre were drafted for this purpose along with some of the members of the staff of the Farm Management Scheme. A sense of urgency and purpose has characterized the work of these people. They have received willing and ready cooperation from all the officers of the Food, Supply, Agriculture and other Departments of the Governments of West Bengal, Bihar and Orissa. These officials have helped the staff of the Centre in all possible ways. Their assistance is thankfully acknowledged. There has also been cooperation of some sort from members of the trading community as well as from rice millers and their associations. In general, we have noticed a very high degree of interest in this investigation on the part of the producers and the marketing agencies. Cooperation and help extended by them are gratefully acknowledged.

West Bengal

SECTION 2

INTRODUCTION

1. West Bengal is the largest producer as well as consumer of rice among the States in India. According to official statistics, the production of rice in West Bengal was 4,306.7 thousand tons in 1957-58. In 1958-59, the production was 4,053.3 thousand tons, in other words 5.9 per cent smaller than in the year 1957-58. It should also be pointed out in this connection that the level of production for both 1957-58 and 1958-59 was lower than in the two years, 1955-56 and 1956-57. The State has been facing a relative shortage of production for the last two years. In 1958 (calendar year) the State Government procured from within West Bengal a total of 88 thousand tons of rice against which there was a total issue of 319 thousand tons of rice on Government account. In other words, there was a net import into the State in 1958 of a total of 231 thousand tons of rice for local consumption. With a lower level of production, it can easily be seen that the extent of deficit in the State would be of a higher order. At the consumption level of 1958, the net deficit in respect of rice in the year 1959 works out to about 278 thousand tons. This figure is entirely in respect of rice and does not take into account the deficit in respect of wheat.

2. The position given above for the State as a whole is, however, misleading and does not reflect the real situation. West Bengal has two distinct blocks of areas, agricultural and marketing conditions in which are widely disparate and unconnected. The northern districts of Malda, West Dinajpur, Jalpaiguri, Darjeeling and Cooch Behar are climatically somewhat different from the southern districts and not directly linked in transport lines with the latter areas. Trade, transport and communication lines between these two blocks of districts are full of gaps like the unbridged Ganga and run through the State of Bihar. Production of rice in these northern districts or Range follows more or less the trend of that in north Bihar. Thus in 1958-59, production was much higher than in 1957-58, the order of increase being about 53 per cent. But this increase could not have any effect on the supply and price situation in the southern districts where are located the major urban and industrial areas. Production in this southern area (Burdwan and Presidency Divisions) decreased from 3,794.2 to 3,269.4 thousand tons between 1957-58 and 1958-59, i.e., by 14.8 per cent, as compared to an overall decrease of 5.9 per cent in the State. For reasons mentioned above this shortfall could not be met even partially by the increase in output in the northern areas all but one (West Dinajpur) of the districts of which are normally deficit in rice. The position in the Burdwan and the Presidency Divisions taken as a unit showed a gross (excluding movements out of the State) deficit in rice in 1958-59 of the order of 755 thousand tons, computed at the level of supplies from internal and external sources in 1957-58. In addition to this, there was also a net deficit in respect of wheat, that was probably of the same order as in 1957-

58. In short, it appears from official statistics that there was a serious decrease in the production of rice in West Bengal in 1958-59 from the level of 1957-58, which itself was again low. This decrease, confined as it was to the southern districts and divisions of the State meant an immediate decrease in the marketed surplus. Calculated on the basis of the 1957 level of supplies, this part of the State was deficit in rice probably to the net extent of 700,000 tons.

3. The distribution of the decline in production in the year 1958-59 in the southern division of West Bengal was again highly uneven among the different districts. Broadly speaking, four districts of these divisions are normally characterized as surplus in rice. These are Burdwan, Birbhum, Bankura and Midnapore. In order of surplus Midnapore probably comes first because of the size of the district, followed by Birbhum, Burdwan and Bankura. Of these districts again Burdwan and Birbhum are directly linked to the Calcutta market by both rail and road, while the other two have only rail connections. It is the surplus of the former two districts (Burdwan and Birbhum) in which are concentrated a very large number of rice mills with connections running to the Calcutta market, that determines largely the market price of paddy and rice in the greater part of the State. The total production of these two districts, which in normal years accounts for roughly one-fourth of the rice production in the State, decreased in 1958-59 by 17.2 per cent from the level in 1957-58. The severest fall was in the district of Birbhum where production declined by 24.2 per cent. It will appear, therefore, that the effect of this differential decrease in production in 1958-59 among the districts has resulted in a greater decrease in the marketed surplus, because the decrease was much larger in some of the surplus districts than in the rest of the State. In short, even from the cursory examination of the official statistics of production it will appear that there was reasonable cause in the year 1959 for expecting a much higher relative decline in the market supplies of rice than the actual decrease in overall production in the State. There was every reason for apprehending a situation of relative scarcity of supplies in the rice market in 1959.

4. It is because of the importance of the districts of Birbhum and Burdwan in the overall rice market of the State that these two districts were selected for investigation. The market centres from which data have been collected are Bolpur in the district of Birbhum and Saktigarh, Nabasta and Hatgovindapur in the district of Burdwan. The last three markets actually come within the nucleus of the Burdwan rice market. Paddy is usually milled in these markets, despatches from which are mainly milled rice. There is as a result a heavy concentration of rice mills in all these markets. The hinterland of these areas specializes in rice production. In fact, rice is the main crop of these areas and account for nearly 90 per cent of the total acreage. Both these areas are canal irrigated, the Burdwan side having had irrigation for the last 30 years from the Damodar canals. The Bolpur area has, however, been having canal irrigation from the Mayurakshi system since 1954-55.

5. Rice trade in this part of West Bengal is highly organised. The usual links in the channels of trade are as follows :

- (a) Producers, Arhatiyas, Rice millers, Wholesalers, Retailers, Consumers.
- (b) Producers, Rice millers, Wholesalers, Retailers, Consumers.
- (c) Producers-cum-dealers, Rice millers, Wholesalers, Retailers, Consumers.

It will appear from the nature of the chains indicated above that there is in this part of West Bengal a fairly direct contact between the producers and the organized market. Market prices, therefore, have progressively come to play an important part in the sale patterns of the produce of the farmers. This price consciousness on the part of the farmers has been increasing over the last few years as has been demonstrated on more than one occasion.

6. Both these areas have been undergoing some long-term changes in respect of marketable surplus as well as market organization. On the one side, the surplus has decreased slowly over the years as a result of the increase of population and other factors. This has resulted largely in a progressive concentration of the marketed surplus of rice in the hands of the medium and large producers who have a high degree of holding power. As far as the market organization is concerned, there was a virtual elimination of the wholesalers during the long period of food controls between 1944 and 1954. It was during this period that the rice millers operating largely as commission agents came to acquire a position of dominance in the channels of trade. With the removal of these controls, the millers have found themselves much more strongly entrenched in the trade channel than they were in the pre-war days. Between 1955 and 1959, however, the profitability of the rice trade has been attracting a large number of new entrants into the market, who have been trying to get into the wholesale business in some cases by displacing the millers in respect of this function and in other cases by digging out a position for them in the flow channel between the producer and the miller. There has also been a more recent development, namely, the entry of some of the very large producers and the ex-zamindars into either the wholesale trade in paddy and rice or the field of milling of paddy. These are all parts of a long-term tendency which has found expression in an abnormal flow of liquid funds into the rice trade.

Output, receipts and disposals by the producers

7. The investigation work in the hinterland of the two selected market centres was carried out in 12 villages divided equally between the two. The villages were within a radius of 7 miles from the respective market centres. The Bolpur villages were better served by roads than those around Saktigarh (Burdwan). Five of the villages at the Bolpur centre and all six around Saktigarh were served by irrigation canals. A total of 91 farmers were interviewed, 57 in the Bolpur and 34 in the Burdwan areas. The characteristics of the farmers in respect of size of family and operational holdings are given in Table W. 1 below :

TABLE W. 1— *Charasteristics of the Farmers Interviewed*

Size of Operational holdings (acres)	No. of farmers		Average size of family in 1959		Average size of holding in 1959 (acres)	
	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan
Below 2.5	6	1	5.7	11.0	2.10	2.33
2.5—4.9	8	9	6.2	6.9	3.86	4.42
5.0—9.9	15	10	8.0	11.0	6.87	8.84
10.0—19.9	18	7	12.2	10.0	13.88	13.33
20 & above	10	7	13.7	20.3	26.63	31.03
TOTAL	57	34	9.9	11.6	11.63	13.00

In view of the limitation of time, no attempt was made to increase the sample size appropriately so as to make the distribution by size of holdings conform to the actual pattern in the State or in these areas. That is why the average size of holdings in the sample works out to a very high figure, 11.63 acres for the farmers in the Bolpur area and 13.00 acres among the Burdwan farmers. Besides, since the size of family shows a high correlation in the sample with holding size, the average family size in the two areas is also much above the average either for these areas or for the State. To counteract the effect of this bias in the sample, averages, ratios and percentages for the two areas have been calculated with the help of weights. In the absence of any recent data, the distribution of holdings in West Bengal, as given by the All-India Agricultural Labour Enquiry has been used for the purpose of weighting the data relating to the farmers in the different size-groups. The average size of holdings has thus been reduced to the AIALE figure of 4.7 acres for West Bengal.

8. Table W.2 shows the variations in the sizes of family and of holdings of the selected farmers in the last two years, 1957-58 and 1958-59. It appears that the operational holdings in the different size groups do not show any noticeable change in either of the areas. The slight change that has taken place is some increase in the area of owned land among the largest group of farmers, but the extent of this increase is small. Some marginal changes in the areas leased in and/or leased out explain the rest. The most significant change in the course of the past one year seems to have been in the number of people in the families. The growth of population in the families of the selected farmers in one year seems to have been 2.6 per cent in the Bolpur villages and 1.5 per cent in the Burdwan areas. Village surveys by this Centre also show such a high rate of growth of population among the farmers in this part. The impact of this on the marketable surplus of the farmers is bound to be adverse in the near future unless production rises fast enough.

TABLE W. 2— *Changes in the family and holding sizes of the selected farmers between 1957-58 & 1958-59*

Size-group (Acres)	Percent Persons in the family in 1959 to those in 1958		Percent operational holding size in 1959 to that in 1958	
	Bolpur	Burdwan	Bolpur	Burdwan
Less than 2.5	100.0	100.0	96.5	100.0
2.5—4.9	102.0	96.9	101.1	102.4
5.0—9.9	103.4	103.8	99.0	101.1
10.0—19.9	103.8	100.0	100.3	100.0
20 & above	101.5	106.8	101.1	99.1
WEIGHTED TOTAL	102.6	101.5	99.7	100.8

9. *Production.*—Statistics of acreage and production of paddy obtained from the selected farmers of the Bolpur and the Burdwan areas are shown separately in Table W. 3. It may be pointed out in this connection that all the 6 villages selected in the Burdwan area were canal irrigated, while all but one of the six in the Bolpur area had this facility. There was a fall in the acreage under paddy in 1958-59 on the unirrigated lands in both the areas because of late rains and general drought conditions. It was reported that a portion of the area of the unirrigated lands could not be sown in 1958-59. This fall cannot be estimated from the data of our sample. An indirect evidence of this can be found in the acreage figures (Table W.3) for the Bolpur villages, which included one not having canal irrigation. The weighted average of the acreage of these six villages shows a decrease from 96.9 per cent of the area of the holding to 94.1 per cent. The decrease in acreage was proportionately greater among the larger sized farms. Besides, there was a fall in the yield per acre on irrigated as well as unirrigated lands. This fall in yields was general and occurred on the lands of farmers of all sizes, as can be seen from the figures in Table W.3. Total production, therefore, declined very heavily on the unirrigated lands and to a smaller extent on the irrigated acreage. Our sample shows a fall of the order of 27.7 per cent in the Bolpur villages and 10.5 per cent in the Burdwan villages, as compared to 24.2 and 12.6 per cent in the corresponding districts. It appears, therefore, that the estimate obtained from our Bolpur sample shows a higher fall in production than is given in the official statistics for the district, while the opposite is the case of Bolpur. It should be mentioned in this connection that the irrigated area in none of these districts exceeds 30 per cent of the total acreage under paddy. Consequently, if this ratio of irrigated to non-irrigated acreage is taken into account, there is reason to believe that the decrease in production was of a very high order in both the districts. Besides, this decrease was more or less equally shared by farmers in all size-groups.

10. This point needs some emphasis here because in the course of our investigation we were repeatedly told not only by the producers but also by the traders and some of the government officials that the extent of decrease in production in 1958-59 was much higher than the official statistics showed. For the Burdwan area, non-official estimates put the decrease in production at 25 per cent (for some of the unirrigated areas the estimate was 50 per cent), while for Birbhum the figure was placed between 30 and 40 per cent. In fact, the fall in yields on irrigated lands in Birbhum was very sharp and much greater than in Burdwan. The heavy decrease in production was ascribed to (a) irregular and delayed monsoons, (b) late supply of canal waters, (c) irregular distribution of canal waters, particularly in Birbhum, (d) lack of sufficient pressure in the canal distributory system in the Birbhum and (e) non-availability, high prices and adulteration of fertilizers. Some of the evidences we found in substantiation of these complaints may be quoted here. In the first place, canal waters were distributed 15 to 30 days after the usual date with the result that transplantation of paddy seedlings could not be started until late August. Besides, the pressure and flow of water in the canals were low and not all of the command area could receive adequate water. In Birbhum breaches of canals were not repaired promptly and caused further delay. In the second place, there was a shortage of fertilizers as can be seen from the figures for the Burdwan area, given below. It seems that at the village level there was a smaller supply in 1958-59 of all the fertilizers except superphosphate (which is not used very much), though at the district level am-

monium sulphate was in greater supply. It should be mentioned here that these figures are based on returns by the dealers and do not show the actual quantity used in the villages. Bonemeal which happens to be the most commonly used fertilizer in the canal areas, had a much smaller supply in 1958 both for the district as a whole and for the Union in particular. Further, there was serious complaint from the producers about the quality of the fertilizers particularly of bonemeal supplied by the dealers. Officials of a co-operative farm reported that to ensure the quality of the bonemeal they had to go to the mills and purchase some 800 mds. of bonemeal which they could secure only by paying Rs. 3-8-0 more than the controlled price per ton. Moreover, there were reports of large-scale sale of ammonium sulphate to other regions (particularly the tea gardens) offering a higher price. This practice though an usual feature every year, increased tremendously in 1958 as a result of the system of cash sale introduced in 1958 instead of against D.O. slips in the previous years and also on account of the fact that the farmers did not need as much of ammonia in 1958-59 because of very late sowings.

*Distribution of fertilizers in the Burdwan district
and the Hatgobindapur Union, 1957-58 and 1958-59*

Name of Fertilizer	Quantity distributed			
	Burdwan district (in tons)		Hatgobindapur Union (in mds.)	
	1957-58	1958-59	1957-58	1958-59
Ammonium Sulphate	4,652	7,000	1,646	1,082
Superphosphate	226	242	317	332
Bonemeal	1,550	1,000	1,735	1,522
Mixed Fertilizers	14,421	4,030	772	815
TOTAL	20,849	12,272	4,470	3,751

11. There is, therefore, reason to believe that the grounds given above for shortfall in production were largely true and that the actual decrease in rice production was probably of a higher order than the official statistics would suggest. One reason why the non-official opinion in these areas can be relied upon, to some extent at least, is that both these areas, particularly Burdwan shows a very high degree of specialization in rice production. This is reflected in the fairly high level of yield per acre of paddy in these areas, as can be seen from Table W. 3*. Fertilizers are used intensively, and the yield level of paddy is always a matter of common discussion and speculation. Anyway, since there is reason for us to believe that there is some truth in the non-official estimates and since this allegation is very commonly made, it is desirable that an investigation be made about the manner in which crop-cutting experiments were conducted in 1958-59 in these districts. This investigation should cover not only the selection of plots and

*All the statements and tables referred to in respect of W. Bengal, Orrisa & Bihar are given at the end of the Report on these States.

grids but also the actual manner in which grids were laid, cuts were taken, dry weight of paddy and rice measured, and weights assigned for the irrigated and unirrigated acreages. This investigation should be conducted as early as possible and preferably before the yield estimation in the current year takes place. It would not only satisfy ourselves, but also remove the doubts expressed by producers and traders.

12. *Receipts of paddy by the farmers.*—Table W.4 gives figures of receipts and disposals of paddy by the selected farmers in the two areas. It will appear that the paddy receipts in both the years largely determined by production on the farm, which constituted between 92.2 and 95.3 per cent of the total in 1957-58. In 1958-59, 94.5 and 97.7 per cent of the total receipts were accounted for by farm production. The other important source of receipts, particularly in the Burdwan area, were kind rent in paddy received from land leased out and other receipts obtained from loan repayments or borrowings. Both these categories were greater in importance in Burdwan villages than in the Bolpur villages according to the information in our sample. The importance of these three sources of receipts, namely farm production, kind rent, and other receipts varied among the farmers in the different size-groups. With increase in the size of farms the proportion of farm production to total receipts tended to decrease as would be evident from the figures given in Table W. 4. On the whole, total receipts of farms in 1958-59 declined somewhat more than in proportion to the decrease in production. In Bolpur, the receipts decreased by 27.2 per cent and in Burdwan by 11.4 per cent as compared to production decreases of the order of 26.1 and 10.5 per cent respectively. In the Bolpur area, the decline in total receipts in 1958-59 was relatively greater among the larger farmers, while in the Burdwan villages the decline was largest among the medium farmers. The relevant figures are given in Table W.5.

13. *Disposals—Kind payments and consumption.*—Disposals of paddy and rice by the farmers have been shown under the following categories : Sales, consumption out of home production, and kind payments. Kind payment usually arises on account of rent payment for land leased-in and repayment of borrowings of paddy by the small farmers as well as payment of paddy loans by the larger farmers. The nature of the other categories of disposals is self-explanatory. From the figures given in Table W.4 it appears that the proportion of kind payments to total receipts showed very little change between the two years. In Bolpur, the proportion decreased slightly from 15.3 per cent to 13.8 per cent, while in Saktigarh area, it increased from 6.1 to 6.9 per cent. In terms of absolute quantities, however, kind payments in 1958-59 decreased by 38.0 and 0.4 per cent in the Bolpur and the Burdwan areas respectively (Table W.5). It must be mentioned here that kind payments are much less important in the Burdwan than in the Bolpur area. *Consumption out of home production* in 1957-58 showed more or less the same ratio, 42 per cent (41.9 and 42.7) of total receipts in the Bolpur and the Burdwan villages. Estimated consumption out of home production in 1958-59 is expected to rise to 50.2 and 46.6 per cent respectively of the total receipts because of the decline in production and receipts. The rise in this proportion is naturally higher in the Bolpur (greater fall in production) than in the Burdwan area. Besides, this increase in proportion is fairly uniform among farmers in all the size groups. This item of disposal usually tends to remain in absolute terms fairly stable. Our figures show, however, a decline, the decrease in 1958-59

being 9.1 and 1.2 per cent respectively in Bolpur and Burdwan. Even though this decrease is of a small order, it is still significant not because it necessarily signifies a curtailment of total consumption, but on account of its impact on marketing. Reports have been heard that some of the small farmers sold the paddy normally reserved for their consumption because of its relatively higher price, and purchased wheat from the market for consumption. Anyway, consumption out of home production decreased sharply in 1958-59 among the small farmers, as can be seen from the figures in Table W.5.

14. *Sales of paddy*.—Sales of paddy in 1957-58 accounted for 32.5 per cent of the total receipts in the Bolpur area and 49.8 per cent in the Burdwan villages. In the current year, the proportion is expected to be much lower at 29.3 and 44.4 per cent respectively. The significant aspect of the sale pattern among different classes of producers is that the higher proportion of sales to total receipts was recorded by farmers in the size-group 10—20 acres. This feature is, however, corroborated by our studies of rural change. In the Bolpur villages, this group accounted for sales of 42.2 per cent of their receipts of paddy in 1957-58 as against 38.4 per cent in 1958-59, the corresponding proportions for Burdwan being 68.4 and 60.0 per cent respectively. The proportion and extent of marketable surplus of paddy have been higher among the farmers in the Burdwan area than in the Bolpur area in both the years. From the figures given in Table W.5, it appears that sales in 1958-59 including estimated sale in the fourth quarter will show a decrease of 35.2 and 21.4 per cent in the Bolpur and Burdwan areas. The decrease is greater in proportion to the decline in production and receipts in the Burdwan than in the Bolpur area, because kind payments, consumption and stock show relatively smaller declines (and proportionately less than decrease in receipts) in the former than in the latter areas. The proportion of decrease in sales in the current year shows a steady decline with increase in the size of holdings among farmers particularly in the Burdwan area, where the large farmers are expected to sell only 14.9 per cent less in the current year than in 1957-58. In the Bolpur area, however, the medium and some of the small farmers also record the lowest (relatively) decline in sales. Two points should be borne in mind in interpreting or even accepting these sales figures. First, in spite of our best attempts to get at the true figures, some amount of concealment of returns by the farmers is still there in the figures. The extent of under-reporting is likely to be greater among the medium and large farmers. Secondly, the sale figures for all the four quarters of 1958-59 have been computed, which meant the working out of the figures of expected sale in the last quarter of the current year. Figures of such sale-to-be were sought from the farmers and later checked and sometimes adjusted. On the whole, it may be said that the figures of expected sale in the last quarter would not fall very far short unless the figures of receipts were grossly under-reported by the farmers and/or unless the crop prospects for the coming year are to take an unexpected turn.

15. *Seasonal pattern of sales*.—Figures of the quarterly pattern of sales of paddy by the farmers show that in 1957-58 both in the Bolpur as well as in the Burdwan areas the heaviest proportion of sales were in the first and the second quarters, namely, between November and April. In the year 1958-59, this pattern has not only been repeated but even strengthened. Sales in the third quarter, that is, in the months of May—July, amounted to 17.2 per cent of total sales in 1958-59 in the Bolpur area as

compared to 14.5 per cent in the Burdwan villages. The corresponding figures for the last year were 18.0 and 5.6 per cent respectively. Sales expected in the fourth quarter of 1958-59 have been estimated at 8.8 and 12.0 per cent of the total in the Bolpur and the Burdwan areas respectively, against 15.2 and 8.8 per cent respectively in 1957-58. The main features of the sale patterns can now be summarized here. In the first place, both in 1957-58 and 1958-59 (both below-normal crop years) the bulk of the paddy receipts were sold by the farmers in the first two quarters, the proportion of this sale increasing from 66.8 to 74.0 per cent in Bolpur and from 70.6 to 73.5 per cent in the Burdwan area. It must be remembered that this has happened in an area where-in average to good crop years a much smaller proportion of the total produce comes to the market during these two quarters as has been observed by us in our continuous village surveys. In the second place, a very small proportion of the total sales in both the areas is likely to take place in the fourth quarter of this year, that is between August and October 1959. The proportion of this sale is expected to be of the order of 7.5 and 12.0 per cent of the total in the two respective areas. Thirdly, sales in the third quarter, *i.e.*, between May and July, though much lower in Burdwan than in Bolpur, have been, on the whole, according to the seasonal pattern of the last year. Fourthly, the distribution of sales seems to be more even over the quarters in the Bolpur villages than in the Burdwan area. Finally, from the figures in Table W.5, it will appear that the actual sales upto July 1959 were lower by only 29.8 and 24.4 per cent than the total sales in 1957-58, in Bolpur and Burdwan respectively. In other words, by July 1959, between 70 and 75 per cent of the quantity sold in 1957 by the farmers had been marketed.

16. The over-all seasonal pattern described in the last paragraph shows significant variations among the farmers in different size-groups. Farmers with less than 2.5 acres sold all their produce by the second quarter in both the years in Bolpur; those in Burdwan had nothing at all to sell in these two years. With increase in the size of farms, the sales in the first and the second quarters decrease, while those in the third and the fourth quarter increase. The medium farmers (with 10 to 20 acres) in both the years sold the largest proportion in the third quarter. But they did not sell as much this year as in 1957-58 in Burdwan. Their expected sales between August and October 1959 are likely to be proportionately higher in the Burdwan area. So far as the large farmers are concerned, it is their sales in the fourth quarter that largely determine the market supply in this season. Their sales in the last quarter of this year will be proportionately smaller in Bolpur but much higher in Burdwan, higher even than in the corresponding quarter last year. The relevant figures are given in Table W 6.

17. From all these data, it can be concluded that inspite of a general decline in receipts and sales, the medium and large farmers in the Burdwan area decreased the proportion of their sale in the third quarter (May to July) this year as compared to the last and expected to sell more in the fourth quarter (August to October). Delaying of sales and withholding of stocks from the market have been practised by these groups of farmers, particularly the large farmers, to a considerable extent in the Burdwan area, as can be judged from the fact that nearly 40 (39.4) per cent of the sales of farmers with 20 acres or above in the Burdwan area are expected to take place this year between August and October.

In the corresponding period last year they sold only 31 per cent. The data do not suggest, however, that similar practices have been resorted to by the medium and large farmers in the Bolpur area. They have, in fact, proportionately less to sell in the fourth quarter of this year than they had in the same quarter of 1957-58. The Burdwan farmers, being more conveniently placed in respect of road communications and access to different markets are also in a better position to take advantage of the market prices. Besides, the Bolpur farmers suffered from a much heavier decline in production than their Burdwan counterparts. A word of caution should be added here about the weighted averages we have calculated. In the absence of detailed figures of holding distribution for each district, we have been forced to adopt as weights the figures of distribution of the acreage under holdings in 1951 in West Bengal. The actual distribution in the Burdwan and Bolpur areas is, however, more heavily weighted in the direction of large farms. Consequently, our weighted averages tend to underestimate the average proportions of sales, stocks etc., which are largely determined by the bigger farmers.

18. *Stocks*.—The year-ending stock position has also been shown in Tables W.4 and W.5. At the end of 1957-58, the stocks with the farmers were 10.3 per cent of the receipts in Bolpur and 2.0 per cent in Burdwan. The expected balance in stock at the end of 1958-59 has been estimated at 6.7 and 2.1 per cent, respectively. The data relating to year-ending stocks with the farmers in the Burdwan area are highly questionable and grossly under-reported. The figures for the Bolpur area are more reliable. The difference between these and the figures for Burdwan can at least be taken as the extent of under-reporting by the Burdwan farmers, for it is inconceivable that the large farmers in the Saktigarh area had at the end of 1957-58 a stock of only 5.6 per cent of their paddy receipts or that the medium farmers had no stocks, the figures of 24.9 and 14.7 per cent for the two respective classes of farmers in Bolpur being probably near accuracy. Anyway, judging even from the figures for Bolpur, it does not seem that there was a high level of stocks in the villages at the end of the last year, 10 per cent being a reasonable level for meeting needs of seeds, and emergencies. The stock at the end of the current year is expected to be depleted by 65.4 per cent unless the crop prospects for 1959-60 turn out to be unfavourable. On the whole, it may be said that there is not likely to be any stock or inventory building in the current year in either of these areas. The high prices since 24th June have led to heavy sales already. Besides, the large farmers are also apprehensive of a Government move for seizure of stocks.

Market arrivals, stocks and prices

19. Bolpur and Burdwan are two of the most important rice markets in the State of West Bengal. Bolpur is a close-knit market and milling centre in the southern part of the Birbhum district. It is fairly well connected by road and railway with the other parts of the district, Suri, the district Headquarters being at a distance of 25 miles. In respect of road communications with areas outside the district, Bolpur is at a disadvantage. The unbridged Ajoy river serves as a barrier. The Burdwan market, on the other hand, is actually a cluster of five major and a few small assembling centres, a number of milling points, a few distribution centres and a central market. This dispersed development of the Burdwan market has been helped, perhaps even caused.

by the Grand Trunk Road as well as by two other metalled roads running upto Katwa and Kalna. To make a complete study of the Burdwan market, therefore, entails survey covering a number of smaller markets located along these roads within a radius of 20 miles of the Burdwan town. With the limited time at our disposal, this was not possible. We had, therefore, to confine our investigations to the Saktigarh market, located at a distance of 10 miles to the East of Burdwan. Served by the Eastern Railway and the Grand Trunk Road, and is one of the principal paddy and rice markets of the district. This is also linked to a number of roadside markets which serve as feeders to it. The Bolpur market has also wide connections and is served by a number of feeder markets in the interior. But the market at Bolpur is highly localized and concentrated. That is why it has been possible for us to cover this market in all its aspect.

20. The hinterland or inflow area of the Bolpur market has a radius of 15 to 20 miles. The area of the Saktigarh market is, however, smaller, and extends 10 to 12 miles to the south across the Damodar river and 5 to 7 miles to the north. The important of these two markets can be judged from the number of functionaries operating in each. In 1959 Saktigarh had six rice mills, 35 wholesalers with godowns in Saktigarh proper and a total of 72 licensed dealers in paddy and rice. In Bolpur, on the other hand, there were 19 rice mills and a total of 87 (working) licensed dealers. In terms of the volume of paddy sold by the farmers in the markets, Bolpur is more important. In 1957-58, it handled a total sale of paddy by the farmers to the extent of 9 lakh maunds as compared to Saktigarh's 1.8 lakhs. Apart from sizes, there is another important difference between the Bolpur and the Saktigarh markets. While the former is largely an important milling and despatch centre at which all the paddy coming to the market is milled prior to its despatch to various destinations by rail, Saktigarh is more of a despatch centre with both paddy and rice flowing out invariably in the direction of Calcutta. The lack of an all-weather road connection with the outside areas has tended to keep Bolpur somewhat isolated. Despatches from Bolpur are, therefore, largely by rail which handled in 1958 exports of rice to the extent of 8.2 lakh maunds. It should be mentioned here that both Bolpur and Saktigarh obtain a part of their supplies from other interior or roadside markets; the estimate of such supplies for the Bolpur market being one-third. Bolpur also imports paddy by rail from other markets. The bulk of the supplies are normally brought to the market by the farmers for sale.

21. Figures of monthly arrivals of paddy in the markets obtained from the Civil Supply and Procurement Officers, are presented in Table W.7. Our attempts to obtain independent figures of market arrivals, despatches and stocks were not successful. The data furnished separately by the producers, the traders, the millers and the Government officials often contradicted one another. The wholesalers as well as rice millers carried on their trade and business all through 1958 and 1959 under all sorts of Government orders and controls which were unpalatable to them. It was openly admitted by everyone including the procurement officials that there had been large scale suppression of accounts and concealment of stocks and arrivals. Consequently, the figures of stocks, etc., obtained by us from the traders and millers were not different from those supplied by them to the Government. It is, however, an open secret that the actual market arrivals in the current year, whether at the wholesalers', or at the millers' end, have been much larger than are shown by the official returns.

22. According to the official figures supplied to us, the total quantity of paddy arrivals in the Saktigarh market from September, 1957 to August, 1958 was 316,455 maunds as against 164,042 maunds from September, 1958 to July, 1959. Allowing for an arrival of even 25 thousand maunds in the month of August, 1959 (at the average monthly rate of the previous year), the total arrival in the period September, 1958 to August, 1959 works out to 189,042 maunds. This shows a decrease of 40 per cent from the level in the corresponding period of the previous year. This short-fall, calculated from the official figures cannot be fully accounted for by the fall in production or by the fall in sales by the producers. It may be repeated here that the decrease in sales upto July in the current year works out to approximately 25 (24.4) per cent of the total sales in 1957-58 as pointed out earlier. This discrepancy can only be accounted for by concealment of purchases by the millers and dealers. It is an open secret that the maintenance of two books is a very common practice among these businessmen. The imposition of strict controls as from 1st January, 1959 increased the incidence of this practice considerably in as much as no transactions in paddy or rice had taken place during the current year at or within the control price. Moreover, there were market uncertainties and fear of seizure of stocks by the Government. All these contributed to a much wider resort to suppression of the actual purchase and stock position on the part of the dealers and millers. It is not possible, however, to accurately guess the extent of this concealment. Some of the Government officials and other persons with knowledge of the trade put it at 20 per cent. The discrepancy between the official arrivals and the sales figures given by the farmers also works out to roughly 20 per cent. There is, therefore, some reason for us to believe that in the Burdwan area, atleast 20 per cent of the purchases of paddy by the dealers and millers were not reported by them in their returns. The extent of concealment is likely to be lower in the Bolpur area. It must, however, be pointed out in this connection that this figure was much higher prior to June 24. The concealment was probably at its highest in the months of April, May and June (upto 24th).

23. All that can be done with the official figures, under these circumstances, is to study the monthly variations in market supply. It may be mentioned in this connection that we also obtained returns from a total of 33 dealers in the two markets, from the analysis of which we found that the variations shown by the official figures correspond fairly well to the pattern revealed by these returns. This is of course to be expected and probably means no more than that these returns were the same as those submitted to the Government. The percentage distribution of the monthly arrivals of paddy in the two markets for the crop years 1957-58 and 1958-59 are given in Table W.7. The distribution of arrivals in 1957-58 shows that February was the month of heaviest arrival followed by March and May in the Saktigarh market, while in the Bolpur market January, February and March showed heavy arrivals at nearly the same level. In terms of quarters, the first two quarters accounted for three-fourths of the total arrivals in the Bolpur market, as compared to a little over two-thirds in the Saktigarh market. The third quarter arrivals in 1957-58 accounted for about a quarter of the total in the Saktigarh market as against 11.6 per cent in Bolpur. The fourth quarter arrivals were very small in the former accounting for only 5.6 per cent as compared to 12.7 per cent at Bolpur. In interpreting these figures it should be borne in mind that the *aman* or the winter paddy is the most important crop in these two areas, and that

the marketings of the paddy do not start until January. If the pattern of marketing of this paddy is taken into account the distribution would look somewhat different. In any case, near about 45 per cent of the marketing of paddy takes place between January and March, as happened in both the markets in 1957-58. After March, there usually takes place a drop in marketing which does not pick up again until before the start of the cultivation season. There is another factor that should be noted in this connection, namely, the difference between the proportions of third and the fourth quarter arrivals between Bolpur and the Saktigarh market. In the former, arrivals in these two quarters maintained in 1957-58 a fairly even though low proportion, while in the latter the third quarter marketing was about $4\frac{1}{2}$ times as heavy as that in the fourth quarter. It seems, therefore, that in 1957-58 arrivals in the last quarter were much smaller in proportion and volume in the Saktigarh market than in Bolpur. Besides, there is reason to believe that there was a general decline in the volume of marketings in the last quarter of 1957-58 in both these markets because of the poor prospect for the 1958-59 crop.

24. Figures of monthly arrivals in 1958-59 (not yet complete) can only be compared with those of the corresponding months of 1957-58. This has been attempted in Table W.7 in which figures have been given of the percentage distribution of arrivals in the nine months November—July for the two years. From these figures, it appears that marketings in the first quarter of the year 1958-59 were proportionately greater than in the corresponding part of the year 1957-58, the respective figures being 31.8 and 24.0 per cent for Saktigarh and 44.7 and 41.5 per cent for Bolpur. In the second quarter, however, arrivals in both the markets were relatively lower than in the corresponding period of 1957-58, the decline in the proportion being sharpest in the Bolpur market. Arrivals in the third quarter show a very small order of relative decrease in Saktigarh but a high order of increase in Bolpur. A month-by-month comparison of actual arrivals in the two years shows that arrivals upto July, 1959 in the two markets were appreciably lower than in the corresponding period of last year, the decline being of the order of 44 percent in Saktigarh and 31 per cent in Bolpur. This decrease is the result of a smaller absolute volume of arrivals in both the markets from November to May (June for Saktigarh). The fall in monthly arrivals as between the two years was heaviest in May and February in the Saktigarh market, and February and March in the Bolpur market. In the former, however, the decline in arrivals showed a tendency to slow down from February to April, after which it jumped up again to a higher figure. In the Bolpur market the decrease in the monthly arrivals as compared to last year maintained a persistent decline in trend from February, until in June the marketings became higher than in June last year. The arrivals in July in both the markets show a phenomenal increase over the level of the corresponding month in 1957-58. It must, however, be pointed out that the total of arrivals in July, 1957 accounted for a meagre proportion of the total annual arrivals (between 1.3 and 1.5 per cent). An increase even of the order of 68 per cent of this proportion means in absolute terms only a very small quantity in relation to the annual volume. The main features of the market arrivals in the current year, therefore, are first, a heavy decline in their total volume upto 24th June, a comparatively satisfactory proportion of the total marketings upto July being maintained between May and July inspite of the general decline in levels of arrivals, and thirdly a sudden spurt in arrivals in late June and early July. It should also be pointed out in this connection that the arrival

figures of the Bolpur market do not show any particularly alarming situation between the months of April and June. In Saktigarh, however, the marketings in May showed an abrupt and a very heavy decline which was maintained upto June. It is likely that this decline is more of a book manipulation than a reality. Concealment of purchases and stocks was widespread in these months. A detailed analysis of the market position from the months of May to July will be attempted later in this section.

25. *Procurement.*—Figures of procurement of rice were obtained from official sources. It may be mentioned here that the Government of West Bengal imposed a levy of 25 per cent on the production of rice mills with effect from February, 1958. This levy was in force all through 1958 and 1959, until its withdrawal with effect from 24th June, 1959. Figures of total procurement in 1957-58 and 1958-59 reveal that on the whole the district of Birbhum has shown better results in this respect than the bigger district of Burdwan. The former accounted for roughly 1/3rd of the total procurement in the whole State. We are, however, concerned here not so much with total procurement in the two areas. A comparison of this sort can only be made for the months of February to June, as attempted in Table W.8. Distribution of monthly procurement between February and June in terms of the total of this period for 1958 and 1959 shows a steady decrease in the proportion in both the areas, the decline being particularly sharp from April. The important features of the distribution of procurement by months in 1959 are first a particularly high proportion in February (higher than in February, 1958), secondly, a fairly satisfactory proportion also in March aided to a considerable extent by the issue of directives to large producers to market their stocks, thirdly, a relatively smaller proportion in April. May and June in the Saktigarh area. The absolute levels of procurement in the two years, shows a sharp fall, the decrease in procurements from February to June, 1959 having been of the order of 35.5 per cent in Bolpur and 69.7 per cent in Saktigarh. The relatively heavy decrease in procurement in the Saktigarh area is difficult to explain particularly when it is remembered that the decrease in production in that area was of a much smaller order than in the Bolpur villages. In spite of known concealment of stocks etc., by the millers or even of slowing down of milling in certain seasons, the decrease in the level of procurement in Bolpur in 1959 was not far out of proportion with the decline in farm production and market arrivals of paddy. In the Burdwan area, therefore, there was evasion of procurement on a much larger scale either through concealment of stocks and purchases or through slowing down of milling or both. It is significant in this connection that the level of procurement in the Saktigarh area in the 1959 months shows a progressive decrease in comparison with the corresponding months of the last year, whereas it is not so in the Bolpur area. In fact, the relatively higher decrease in the Bolpur area in March, April and May was still much smaller than that in the Saktigarh area and can be explained in terms of relatively smaller volume of arrivals. It is also significant that the procurement in June, 1959 in the Bolpur area was only 22 per cent below the level of June 1958 as compared to the figure of 86.6 per cent decrease in the Saktigarh area. In short, the procurement figures corroborate our view that there was large scale evasion of Government controls and procurement in the Burdwan markets much more than in the Bolpur areas. Besides, the extent of this evasion increased tremendously in the months of May and June.

26. *Despatches from the Markets.*—Figures of despatches were obtained from six dealers of the Saktigarh market and presented in Table W.10. As for the Bolpur market the figures of the export of rice by rail (given in Table W. 9) will be used to give an idea of the despatches from the market. From Table W.9, it appears that despatches from January to July, 1959 decreased by 44.9 per cent from the level of 1958, and by 30 per cent from the level of 1957. The decreases are fairly uniformly distributed among the months except for the month of January, 1959 when shipments by rail increased over the level of January, 1958. It seems, therefore, that despatches by rail from Bolpur between the months of February and July decreased more than in proportion to the decline in procurement from this area. There was more of retention for local consumption. As regards despatches from the Saktigarh market, the figures of the selected dealers show that in the year 1958-59 despatches between November and May formed roughly the same proportion of arrivals as in the corresponding period of 1957-58. Despatches in June, however, were relatively very small. The position, however, changed completely in July, 1959 when 81.4 per cent of the arrivals were recorded as despatched. The sudden jump in the figure of despatches in July was to a large extent due to larger recording in books of the despatches than to its actual increase. What happened during this period was that many of the despatches of unreported stocks came out into the open after the lifting of control. In short, we again come back to the old position that there was large scale concealment of figures not only of arrivals but also of despatches from the returns submitted by the dealers to the Government.

27. *Stocks.*—The changing position of stocks of paddy and rice with dealers and millers in the two markets cannot be accurately assessed by us from the available figures. An attempt was made by us to obtain reliable data from a few selected dealers. Figures of stocks at the beginning of the month for the period November to July, 1957-58 and 1958-59, as obtained from six dealers in Saktigarh are presented in Table W.10. The variations in stocks as revealed by these figures are significant. In the first place, the general pattern of variations in the monthly stocks in 1958-59 shows very little departure from the 1957-58 pattern. In both the years, stocks increased more or less steadily from November to April, decreased slightly in May and jumped up phenomenally in June. Secondly, there has been a significant change in this year in the July stock position which shows the highest level so far reached in 1958-59. In July last year, however, stocks were appreciably lower than in June. Thirdly, stocks all through 1959 were at a considerably lower level than in the corresponding months of 1958. Stocks in November and December, 1958-59, however, show considerable increase in proportion to the previous year. But the quantity involved in these months were so small that not much of importance could be placed on this increase. Fourthly, between January and April of this year stocks were on an average about one-half or a little less than last year. In May and June (upto 24th), however, this proportion decreased phenomenally and almost unaccountably. Reported stocks in these months were only about one-third of that in the last year. The position as at the beginning of July showed some improvement.

28. Our general finding about the stock position is that stocks in the Burdwan and Bolpur markets in the current year have been very low, particularly in April, May and early June. While this was a fact, we also found evidence that stocks were kept dispersed from the markets by the

dealers in the earlier part of the year, *i.e.*, in February, March and April. On the one hand, they kept the stocks in the village with the producers, sometimes by entering into deals or forward contracts with them. On the other, the dealers tried to despatch by road to places like Calcutta unauthorized stocks to avoid seizure. In any case, the result was a low level of actual stocks all along in the market. In May and early June, this led to a situation of scare in the markets all over West Bengal. The low stock position hit the rice mills hardest. In the Bolpur area, about one-half of the rice milling establishments had to shut down for varying periods in March, April, May and early June. To keep them running, the Food Depot of the West Bengal Government had to distribute 40,000 maunds of paddy obtained from Orissa to the Bolpur mills between 27th March and 6th June. In short, the low stock position in the market was a cause for alarm among the dealers and millers who had persistently been complaining about it.

29. *Prices.*—Paddy grown in both the Bolpur and the Burdwan areas is predominantly of the medium to fine quality. There was for a long time a dispute between the dealers and the Government as to whether the quality would be fine or medium according to Government of India's standards. Eventually, the decision was in favour of the fine quality for the bulk of the *aman* paddy grown in these areas. In reality, the quality is medium. It is the price of this quality of paddy and rice, therefore, that is meaningful for purposes of analysis. In Table W.11 are presented the figures of average price of this quality of paddy and rice in the last week of each month for the period November, 1957 to July, 1959, along with the relative prices in the months of 1958-59. Price quotations in the two markets show a high degree of correspondence in their variations. On the whole, however, the price of rice in the Bolpur market over this period has tended to be higher than in the Burdwan area. This is largely because of the peculiar position of the Bolpur town and the lack of easy road communications with other markets. Regarding paddy prices there is no such consistent relationship, the levels in the two markets usually settling down after a short time-lag. The course of prices over this period reveals that in 1957-58 the price of rice in the Burdwan market increased steadily from Rs. 19 per month in November, 1957 to Rs. 28.75 in September, 1958, and then declined in October. The behaviour of the Bolpur price of rice in this period was more or less the same except that there was a drop in the early part of this year and that in September, 1958 the price reached a higher figure of Rs. 30.75. With the coming of the new crop in 1958-59 prices declined in both the markets and decrease being somewhat heavier in Burdwan than in Bolpur. In January, the prices of rice in the two markets were quoted at Rs. 20.93 in Burdwan and Rs. 21.50 in Bolpur. Since then prices rose steadily until in July they were quoted at Rs. 32 and Rs. 32.50 in Bolpur and Burdwan respectively. The pattern of variation of the paddy prices in the two markets is the same as in the case of rice. The minimum price of paddy in the year 1957-58 was Rs. 11 in the two markets and the maximum Rs. 17 at Bolpur and Rs. 17.50 at Burdwan, the corresponding figures for 1958-59 being Rs. 11 (only for a short period) to Rs. 19.50 in Burdwan and Rs. 11 (for a very short period) to Rs. 19 in Bolpur. The range of variations in prices upto July, 1958-59 has, therefore, been much higher than in 1957-58. Another feature of price variations (not shown in Table W.11) in the recent years has been a widening range of price difference between the minimum and the

maximum in each year. This widening range among prices in the different seasons has made the farmers more and more price conscious and has encouraged them to delay sales as much as possible. It should also be mentioned here that the maximum price fixed by the State Government was Rs. 10.50 and Rs. 11.50 per maund of medium and fine paddy in these areas. The price quotations show that the market price for medium (fine) paddy in both the years was above the controlled price.

30. A comparison of monthly prices between 1958-59 (upto July) and 1957-58 is very revealing. The relatives worked out showing monthly price in 1958-59 as per cent of price in corresponding months of 1957-58 are shown in Table W.11. It appears from these figures that prices in the current year upto April were not higher than those in the corresponding months of the last year. In fact, both paddy and rice prices in January, February and March, 1959 were considerably lower than the price in the corresponding months of 1958 in both the markets, with the only difference that in Bolpur the paddy prices were relatively more depressed than the rice prices and *vice versa* for Burdwan. It was only in April, 1959 that both paddy and rice prices reached more or less parity with the prices in April, 1958. The position, however, changed sharply after that. In May, 1959 paddy prices were approximately 6 per cent higher in both the markets, in June between 8 and 14 per cent and in July between 15 and 18 per cent. It seems, therefore, that the price situation in the markets this year was in fact better than in the last year upto April. It was only from May that prices this year reached a higher level than in the last year. With the lifting of controls on 24th June the prices of both paddy and rice shot up tremendously. It may, therefore, be said that the prices of paddy and rice showed a tendency to rise relatively to last year only in May and early June and even then the rise was not more than 6 per cent, which cannot be considered a very high proportion in view of the sharp fall in production, and the seasonal variations in market arrivals at this time.

Changes in the structure and functioning of markets and the impact of controls.

31. There have been a number of important changes in the structural and functional organization of the rice markets in West Bengal in the last two years. These will be broadly indicated in this section under the following aspects : number of establishments or market functionaries, inflow area or hinterland, subsidiary markets, functions of different agencies, credit and distribution.

32. *Number of market functionaries.*—Both the markets studied are composed mainly of rice millers, licensed dealers of various types with godowns either in the local area or outside, banking establishments and merchants. It should be mentioned here that all dealers in paddy and rice

are required to obtain licences from the State Government. Figures of the number of millers and dealers, given below, show that there has been a sharp rise in the new entrants among the dealers in the two markets during the past year.

Year	Bolpur			Saktigarh		
	Rice Mills		Licensed dealers	Rice Mills		Licensed dealers
	Total	Working (range)		Total	Working (range)	
1957-58	19	17-19	76	4	4	62
1958-59	20	10-19	87	5	5	72

This rate of new entry into this business is underestimated by the growth of the number of dealers granted licences. The number of applications for licences shows a greater tendency for entry into this business. The number of applications for licences in the Birbhum district in 1959 was 1,751 against which licences actually granted were 1,704. In short, trade in paddy and rice has been attracting a larger number of persons in the last two years inspite of Government controls over prices and movement. The position is more or less similar in rice milling also. In Saktigarh, the number of mills increased by one in 1959 and one more is expected to start working in the coming year. In Bolpur the rice mills have surplus capacity and no new mills have been started. But mills are being leased out at increasingly high rentals. There have been other changes in the field of marketing of rice. Two of the most important developments in the last two years are (a) a phenomenal growth in the number of chira (parched rice) making machines which increased in number in the Burdwan subdivision from 35 in 1958 to 48 in 1959, and (b) a large increase in the number of paddy husking machines, from 601 in 1958 to 638 in 1959 in the Burdwan district and from 389 to 460 in the Hooghly district. The sudden rise in the number of these two categories of machine has created new problems in the matter of enforcement of controls by the Government, as will be pointed out in the next section.

33. Inflow Area or Hinterland.—The area of supply to the two markets under study has not changed over the last two years. There have, however, been reports that neighbouring markets have competed in the current year particularly with Bolpur for drawing market supplies. This was due largely to the low volume of arrivals and the existence of surplus milling and dealing capacity in all the markets. In short, there was competition not only among dealers in a market but, in some cases, also among markets for buying supplies from the hinterland.

34. Subsidiary/offshoot Markets.—An important development in the current year has been the dispersal of transactions mainly in paddy to areas or points away from the market centres. In the earlier part of the current year there was a tendency particularly among the millers to purchase paddy at the village level and in some cases to keep it in stock over there. This

was done largely to conceal stocks. Secondly, there was also a tendency to effect transactions at a number of way-side points, particularly in the Burdwan area, which led to the growth of a number of small way-side markets or transaction points. This was also a device adopted by dealers and in some cases, millers also to keep their stocks at various points. These way-side markets served usually as assembly and despatch points. Stocks did not stay there. In the third place, there was also a genuine tendency on the part of millers and dealers to compete for a command over stocks by going into the rural areas. This tendency became noticeable only from April of the current year when there was a competition for purchases among the dealers and millers. The net result of these factors was a dispersal of transactions and supplies from the central markets in the current year to a much larger extent than in 1957-58. This development obviously caused some additional problems and worries to the procurements of Civil Supply officials of the State Government.

35. *Changes in the composition and roles of functional groups in the market.*—The growth in the number of new entrants in almost all the links in the channel of rice marketing has already been pointed out. The existence of investible funds in the rural towns and adjacent villages has helped this influx into trade. The multiplication in the numbers of the different market functionaries was, however, accompanied by certain changes in relationships between different parts of the market structure. One of the most striking changes in the current year, which one cannot fail to notice even on a single trip to a market is the increase in the strength of the associations of dealers and millers. Formal associations were set up in markets where there had been none before. In places where these associations had existed in the past they started functioning vigorously. In this connection, the strength of the millers' association and the dealers' organizations was found to be particularly strong in Burdwan. In Bolpur and the Birbhum markets, in general, the district rice millers' association has come to be a very strong and vocal body. One result of this development has been that the dealers and the millers now approach the Government as a solid body on common ground. In other words, the importance of these associations and bodies as pressure groups has increased tremendously in the current year.

36. In the second place, the market organization has tended more and more to become vertically integrated. This vertical integration seems to have increased in the current year as a result of the low volume of arrivals and of business in general. What has actually taken place is that millers have themselves started purchasing in villages or in areas where they formerly would have left the business to the dealers. Another development has been the combining of milling and dealing in single hands. This sort of combination has extended to the utmost possible limit in some cases, particularly in the Burdwan area. It has been found that the wholesale dealers and even millers are in reality large farmers with holdings of 50 acres and above. They combine in them a number of functions in their business activities. Some of them own grocers shops and some others are dealers in fertilizers. In both these capacities, they often extend credit to the smaller producers on condition that the repayment is effected in paddy after harvest. It is in this way that the big producers and some of the ex-zamindars started acquiring command over paddy stocks after harvest. Recently they have also entered the field of trade and milling of rice. As an

example, we can cite the fact that in the course of the investigation we noticed 6 pucca godowns on roadside, all of which were constructed in the course of the last two years by some big producers-cum-dealers-cum-millers. The extent to which the big producers and the *ex-zamindars* are combining business activities can be gauged from the fact that in each of the villages surveyed by us in the Burdwan area about four or five big producers entering into the market as dealers in rice came to our notice. One result of this development has been that the large farmers particularly in the Burdwan area have been exercising a tremendous influence on the market supply of paddy and rice. The source of this influence of theirs is not only their volume of marketable surplus, but also their strength in the market as dealers and in some cases millers. This has led to the emergence of a new type of imperfection in the rice markets, particularly in areas where transportation has been well developed.

37. Another important development affecting market despatches has been the extensive growth in road transport by trucks. This has been a very general development and has made assembling and despatching of supplies quicker and easier. The role of the bullock cart has, therefore, decreased considerably. The importance of this development lies in the fact that the rainy season ceases to be a difficult period for bringing supplies to markets particularly in areas where all-weather roads exist.

38. *Credit*.—It has already been pointed out that the rice market in West Bengal this year has been a sellers' market on account of the low volume of arrivals and scramble for purchases. On the trade side, therefore, there has been no lack of funds or shortage of credit in the market. In fact, the major complaint of most of the dealers and millers has been that their funds were lying idle and that they were running at a loss. Unofficial reports from the local branches of banks confirmed the view that advances against foodgrains this year have been at a very low level,—much lower than the ceiling enforced by the Reserve Bank's directives. It is because of this easy situation in respect of funds in the market that there was no lack of credit from the trade to the farmers. In fact in many cases the dealers and millers were willing to extend credit to the producers without any interest only on the assurance of eventual sale of stocks to them. As for poor farmers, their position has, however, been very bad this year. Most of them sold away their stock at a time when prices in the market were lower than in the last year and were left without any chances of obtaining any credit. In short, there was no shortage of trade credit in the current year; but production credit was in short supply, particularly for small farmers.

39. *Distribution*.—The complex function of distribution both at the wholesale as well as at the retail level cannot be adequately dealt with within the compass of this report. In fact, the whole field of retail distribution is outside our scope of enquiry. It must be mentioned that the most significant development in the current year in this field in West Bengal has been the enforcement of maximum prices for rice of different varieties at the retail level. There has also been an expansion in the number of modified ration shops in the cities and urban areas. In spite of these, however, the retail prices were almost always above the control prices in most parts of West Bengal. The consumers, however, did not mind relatively higher prices in the market as long as the price difference was not large and they could be

choosy about the varieties. . It is only from May, 1959 when supplies in the market became somewhat restricted and prices started shooting up that there was a consumer resistance at the retail level. But such resistance and agitation were confined very largely to the city of Calcutta and its neighbourhood where the Enforcement Branch took action against a number of retailers for refusing to sell their supply at control prices. It was as a result of these developments that the public came to know of the low stock position in the market and the helplessness of the retailers in the face of wholesale prices much above the control rate. It is also at this time that there was a scare raised in the market. A situation of alarm tended to spread in the State. This alarm was accentuated by the lack of supplies of rice in the modified ration shops, and complaints about poor quality of whatever little rice was available. In short, there was in the months of May and June a failure in the functioning of the retail trade, against which the Food Department of the West Bengal Government had no sure and ready remedy.

40. In the sphere of wholesale distribution the major changes in the current year have been in the destination of despatches. The despatches from Bolpur and Burdwan have increasingly towards the city of Calcutta. Despatches to the northern parts of West Bengal practically came to a stop. There was also no need for it, because of the bumper harvest in the northern districts. There are, however, certain indications to show that considerable quantities of rice were despatched to towns close to the border of West Bengal. Thus we have found heavy despatches of rice from Bolpur to places like Barasat and Bongaon which are well-known points for smuggling across the border to East Pakistan. It is not possible for us to assess the extent of such smuggling. All we can do here is to mention the fact that smuggling took place across the international border even in the current year. There was another important change in the direction of flow of supplies in the current year. The supply of rice to Bihar from the border district of Birbhum almost came to a stop. This was due largely to the fact that Bihar had a bumper crop this year. There was, of course an inter-State ban on the movement of foodgrains.

Effectiveness of Government controls, lifting of controls and after.

41. From out of the multiplicity of orders issued from time to time by the Government of West Bengal, a few features stand out as the main parts of the control structure introduced in the State in 1959. In the first place, there were maximum prices fixed for paddy and rice of different grades at the producers' wholesale and retail levels. Fixing of retail prices was a new feature added to the controls with effect from 1st January, 1959. Secondly, there was a levy to the extent of 25 per cent on the *production* of rice mills. This levy was in force from February, 1958. Thirdly, there was an inter-State ban on movement of rice or paddy. There was also in the early part of 1958 a ban on inter-district movements in the State. This cordoning was, however, withdrawn later in favour of a zonal system, under which movement was permitted with the approval of the Government. Fourthly, there was a retail distribution programme through modified ration shops. The third and the fourth measures and programmes are still in force; but the first two were rescinded with effect from 24th June, 1959. In this section we shall be presenting a brief account of the extent to which

the first three of these control measures were effective during the period of their currency and of the developments following the lifting of the price control and procurement measures.

42. *Effectiveness of price control.*—In judging the success or failure of the price control policy in West Bengal, we have to understand the background against which the control prices were viewed by the producers and traders. All through 1958, there were in force maximum prices for paddy and rice at the wholesale level. It was not enforced with any strictness or regularity so that the actual prices in the market were always higher than the prescribed ceiling. The extension of the same prices to the current year, as announced in December 1958 evoked strong resentment among the producers and dealers at all levels. There were meetings of the peasants' organizations demanding the price fixation at Rs. 13 to Rs. 14. Some of the big producers, representing different areas of Burdwan held a meeting in the Burdwan town and urged upon the producers not to sell stock at this 'unfair price'. Moreover, the producers at all levels felt that the controlled price compared unfavourably with the cost of fertilizers and would leave them with a smaller margin per unit. The traders and millers also felt that it would not be possible to draw out the stock at the price fixed by the Government. The cost aspect apart—which may be differing from place to place—the price expectation of the producers had increased after the high prices of the last two years. This situation in other markets in the southern part of West Bengal was more or less the same. Under these conditions, the control prices could not be enforced at any stage. It was only during January and February that ruling prices remained in the neighbourhood of the control price. From April the gap began to increase.

43. *Mobilization of stocks and procurement.*—The price control order did not, however, affect very much the market supply in the first quarter because of forced sale by small farmers in this period. But even at this stage the ruling prices were higher than the controlled price. Even small producers were unwilling to part with their stocks at the controlled price. The mills were, therefore, forced to procure at a higher price though they had to hand over 25 per cent of the stock at the controlled rate. The licensed dealers had to submit their accounts showing their transactions at the controlled rate though their actual procurement price was higher. The weekly price quotations the Sub-divisional office was sending showed only the controlled rates. Concealment of figures of actual turnover came to be accepted by the officials, because they held that otherwise the millers had to close down their establishments. A good portion of the transactions continued to be carried on underground. Market uncertainties greatly increased and the dealers or millers tried quickly to despatch outside whenever they received. It was not possible for the officials, as they say, to estimate the amount that was being despatched everyday. The drive to bring out stock to the market by issuing directives for seizure on some big producers also failed in areas like Burdwan well served by roads. It succeeded to some extent in Birbhum. Some of the dealers and big producers also made cynical comments about the integrity of the procurement officials. We had no means of verifying these allegations.

44. *Some novel ways of evasion of controls.*—Against this background of general failure of the Government either to enforce price or to procure a sufficient amount of rice there were certain pinpricks which the administration had to face every day owing to certain lacunae in the control orders. First, apart from a direct concealment of figures to have the levy reduced, there were other methods resorted to by some of the rice millers to altogether evade levy. Under the procurement order only such establishments as maintained alongside hauling machines a courtyard for other preliminary processing operations were categorized as rice mills *i.e.*, (such establishments which purchased paddy and milled them on their account). There were cases where preliminary processing operations were done in one place and husking at a separate place though by the same person. Such persons altogether evaded the levy. Secondly, a large number of husking machine operators were also purchasing paddy and milling on their account, as had been admitted even by government officials. Thirdly, there were husking machines producing *chiras* (parched rice). During the last few years, these grew like mushrooms in Burdwan. In one year alone, according to the officials figures, the number of *chira* machines increased from 35 to 48 in the Burdwan Sub-division. Their daily offtake of paddy increased from 263 mds. of paddy last year to 576 mds. of paddy in the current year. According to the officials these “*chira* machines” caused them a great deal of headache. Assured of a very favourable margin of profit and free from the fear of procurement they went on offering prices for paddy much higher than the controlled rate. Moreover taking advantage of certain vagueness in the order restricting movement of paddy and paddy products they despatched *chira* even outside the State particularly to Bihar, where the said commodity had a good market. In April, the State Government had to issue a fresh order restricting the movement of *chira*.

45. *Developments following the lifting of control.*—The immediate reaction in the market to the lifting of price control and procurement was a spurt in arrivals. Figures for the Bolpur market show that of a total arrival of 36,881 maunds of paddy for the month of June, the arrival in the last week alone (the week immediately following the lifting of control) accounted for as much as 66.92 per cent. It is also significant that the level of arrivals in the Bolpur market showed a heavy increase in the week ending 23rd June, 1959. This heavy increase is due to the usual pattern of increase in sales on the eve of the cultivation season. This seasonal rise would have happened in any case as would be apparent in Tables W.12 and W.15. The figures for the month of July show that the flow in the market of Bolpur and Saktigarh was maintained in the first week, after which supply systematically dwindled. Arrivals in the first week of July in the Saktigarh and Bolpur markets accounted for 41.1 and 37.4 per cent respectively of the total arrivals in July. The reasons for the rather heavy flow to the market in the first two weeks following 23rd June are (a) the rush of the traders and millers to build up their stocks which lay seriously depleted during the last two months of control; and (b) the marketing of stocks by large and medium farmers. In spite of the systematic evasion of price control resorted to by the traders and millers, market uncertainties were always there which prevented them from building up their stocks against the months of low market arrivals (mid July to August). It is an usual feature of the pattern of supply that immediately with the setting in of monsoons in mid-July inflow into the markets heavily declines due to (a) transport difficulties (b) producers' preoccupation with cultivation work.

46. The immediate effect of this rise in demand was a price spurt which attracted supplies from the producers, usually the large and medium ones, who were waiting for such a development in the market. The activity in the market was regained after a pause and as the supply could sustain only temporarily for reasons stated above, speculative transactions on a considerable scale were resorted to by the millers and dealers. The period following the lifting of control in this background was marked by a constant rise in prices of both paddy and rice, though the rise in rice prices was slightly more pronounced at certain periods. The effect of the lifting of control on prices was immediate and on the 24th June the price of rice in the Burdwan market rose by Rs. 1-8-0 per maund which was subsequently followed by a rise in paddy prices of the order of Re. 1 per maund. On 25th June, the paddy prices rose 1-8-0 per maund over the level of the 23rd June in the Bolpur market. This upward movement of prices in paddy and rice continued till the end of July when the price of rice in the Burdwan market stood at 32.50 and of paddy at 19.50 as against the first week price of Rs. 29.50 and 17.50 respectively. Bolpur market also revealed a similar trend. While the steep ascent in the first phase may be ascribable to some amount of speculative buying the rise in the last 3 weeks of July seem to have been influenced largely by a fall in supply. Weekly figures showing arrivals and prices in the Bolpur and Saktigarh markets during this period are given in Table W.12.

47. In short, the lifting of controls did succeed in bringing out a portion of the stocks withheld by the medium and large farmers. But the effect was temporary. The net gain was very little in comparison with the steep rise in prices that took place. Two questions arise naturally in this connection. First, was the rescinding of the control order justified in the light of what happened later? Secondly, was it timed properly? Answers to these questions will be attempted in the last section.

Opinions and views of producers and traders regarding prices and controls.

48. *Opinions and views of producers.*—An opinion survey was conducted among the selected farmers in the Bolpur and Saktigarh villages to ascertain the views of the producers and also to obtain some information regarding their pattern of marketing, relationship with dealers, government measures of control and their price expectations. The views as expressed by these respondents have been put together in Tables W.13 and W.14. It should be noted that the opinions and views of the producers in the two areas, namely Bolpur and Burdwan have been lumped together for purposes of analysis. On one or two points, however, the responses were sharply different in the two areas. Separate figures have been shown in the footnote in such cases.

49. *Relationship of producers with dealers.*—Of the producers 28.6 per cent replied that they sold their paddy to the same dealer or miller every year. 70.3 per cent, however, reported that they were free in their dealings with dealers and millers in the market. It appears that the so-called "tying down" of the producers by the dealers is not an extensive practice. But the incidence of this practice seems to differ significantly between the Bolpur and Burdwan areas. 41.7 per cent of the producers in the Burdwan area admitted being 'tied' to the same dealer or miller against 21.6 per cent in the Bolpur area. This sort of fixed or established relationship between the producer and the dealer varies, however, significantly

among different groups of farmers. The medium farmers seem to be the most independent of all, while the farmers with 5—10 acres record the largest proportion selling to the same market agency. It should also be noted that the proportion of large farmers selling to the same market agency is large, though not as large as in the case of farmers in the 5—10 acre group. The figures are given in Table W.13. The reasons for this practice and its variations among different groups of farmers are fairly obvious. The figures in Table W.13 also show that 23.1 per cent of the producers were in the habit of taking advances against crop from the dealers. It is these advances on the security of the standing crop that lead to the loss of freedom of the farmers to choose buyers in the market. This system is more widespread in the Burdwan area than in Bolpur. There is, in some cases, a social or personal factor which also tends to attach some farmers to particular dealers or millers. The importance of this factor seems to be greater among the large farmers. It also appears from the data that not all of the producers obtaining advances from the dealers consider themselves necessarily bound to sell to the same person. This feeling was found largely among the respondents in the Bolpur area. It should be added here that the term dealer includes grocers, *arhatiyas* and millers.

50. *Marketing chain.*—The most important development in the chain in the rice markets in West Bengal has been the virtual elimination of the so-called middlemen. Only 13.2 per cent of the respondents sold their paddy directly to the middlemen. The proportion selling directly to the middlemen, however, is as high as 25 per cent among the small farmers. It seems that the small farmers who themselves cannot undertake transportation of their stocks to the market are responsible for keeping the middlemen still in business. The medium and the large farmers sell very little of their stocks to the middlemen. In fact, the large farmers sell their entire produce to dealers or millers. It may be mentioned here that in our investigation, we did not separate dealers from millers in interviewing the farmers. In any case, it is known that direct purchases by the millers from the farmers is increasing in importance and at the cost of purchases by the dealers. The role of dealers is fast becoming that of commission agents, buying paddy on behalf of the millers. The dealers often combine wholesale business in rice with assembling of paddy. Hand-pounded rice, however, goes directly from the villagers to the dealers.

51. An interesting manner of disposal of paddy by the medium and large producers in these areas is the handing over of a part of their stock to a miller or even a dealer without selling it, on condition that it would be kept in the godown and sold only when instructed by them. The extent of this practice was somewhat smaller in the current year because of the refusal by the millers or dealers to carry the stock for fear of seizure by the Government. Even then 8.8 per cent of the respondents admitted that they were helped by the dealers to hold their stocks through some arrangement or other. The medium producers, 25.8 per cent of whom admitted having received such help, recorded the largest percentage among the size-groups. Farmers with less than 10 acres did not receive any such help from the dealers.

52. *Reaction to control measures.* It is not surprising to find from Table W.13 that 91.2 per cent of the producers showed an extremely adverse

reaction to government control measures. Only one respondent (1.1 per cent), a large producer, was in favour of government restrictions. It is highly significant that this unfavourable attitude towards government controls permeates all groups of producers down to the smallest farmer. In fact, farmers in the smaller size-groups were as much opposed to government controls as, if not more than the large producers. This is also borne out by the opinions of the respondents regarding willingness to sell their produce directly to the government. 90.1 per cent of the farmers declared themselves unwilling to sell their produce directly to the government. The largest proportions were found among the farmers in the size-groups below 10 acres. This unfavourable attitude of the smaller farmers to government controls has crystallised from out of their feeling that they have been let down or discriminated against by the government in the price policy. Their typical reaction was that the government withdrew the control orders this year at a time when only the substantial producers had stocks to sell. This, according to them, amounted to paying a "bonus" to the big producers and a premium on the withholding of stocks. It would be added here that the lifting of controls on 24th June did not benefit all of the big producers, because some of them admitted having parted with most of their saleable stocks earlier than usual due to the fear of seizure by the Government. The issue of directives in February and March created this scare. Thus, the price rise in the month of July benefited only that section of the larger farmers, which speculated in the matter of stock holding. Anyway, the reasons for unwillingness to sell to the government on the part of the larger farmers are their traditional ties with the market and the general complaint that sale directly to the government involves complicated bureaucratic procedures in obtaining payment. Among the smaller producers also there was a solid reason for not favouring the idea of selling directly to the government, namely, the lack of a simple and easy system of obtaining Government credit which traders usually advance both against market arrivals and against future marketings.

53. *Attitude towards stock holding.*—The general motivation for stock holding by the producers seems to be the same among all groups. 31.9 per cent of the producers replied that they desired to increase their stock holding at any cost. It is more or less the same proportion (30.8%) of farmers who replied that they intended to hold stocks—and some of them were holding stocks—in expectation of higher prices. In other words, there is a tendency to build up stocks and inventories of paddy among nearly 1/3rd of the farmers. Price consciousness is also very strong among the members of this group.

54. *Reasonableness of control prices.*—That the farmers would consider the control prices fixed by the Government of West Bengal extremely unfair needs no investigation. 98.9 per cent of the farmers interviewed by us expressed the view that the control prices fixed for paddy by the Government of West Bengal were unjust and calculated to harm the interests of the producers. Asked to explain the reasons for this view, most of them replied that cutting down the price of paddy without controlling the prices of other commodities which they had to buy created unfavourable terms of trade for them. In support of this view, they mentioned that price of oil cakes had been increasing every year. Secondly, they also mentioned that the prices of chemical fertilizers were not reduced by the government in the current year. Thirdly, there was a short supply of fertilizers in the market and this created a high price in the black market from where they had to

buy these. They agreed, however, that control prices in parity with the prices of commodities they had to buy would be acceptable to them. It should be added here that there was only one respondent who considered the control prices to be fair. He was a large producer who was ethically opposed to high prices. It seems that if in future maximum prices are to be fixed for foodgrains in West Bengal, the rationale behind the level at which price fixation takes place should be given wide publicity among the farmers. Most of the farmers are well aware of the basic economics in this field.

55. *Price expectation.*—The farmers interviewed were also asked to state the price which they considered to be fair and at which they would be willing to sell their paddy. The responses show that the minimum price expected for paddy by the farmers was Rs. 13 per maund. About 44.1 per cent of the respondents stated their price expectation in the range Rs. 13 to 14. 21.6 per cent wanted between Rs. 14 and Rs. 15 and 24.2 per cent above Rs. 15. The majority of the farmers in the smaller size-groups considered the range of Rs. 13 to Rs. 14 quite fair, while the largest proportion of the medium and the large farmers was in favour of a price higher than Rs. 15 for paddy. It seems from this price expectation pattern of the farmers that it would be very difficult to enforce again in West Bengal maximum price for paddy at the levels fixed earlier this year (Rs. 10.50 to 11.50) without arousing a storm of protest and opposition from the farmers.

56. There were two other interesting views expressed by a section of the producers, and briefly being reported here. One view was that if the government were at all to impose controls over paddy prices, these should be by prior announcements and as a matter of policy, made effective only during the lean months when prices tended to be high. This would ensure a more even spread of price over the different months and tend to guarantee a good supply in the early months even from the large producers. Another view expressed was that the present administration was incapable of enforcing any system of controls because of inefficiency and corruption. It was stated that the experience of malpractices resorted to by the fertilizer dealers and other went to show that controls under the present system tended invariably to increase corruption and unfair practices.

57. *Opinion of traders.*—The traders and millers were very vocal and emphatic in their condemnation of the control policy and measures. In fact, most of them went so far as to say that any scheme of state trading by the government would end in failure. Asked about the reasons, some of them stated that "the whole administrative machinery was so inefficient and susceptible to corruption that control measures evolved with the best of intentions could be made ineffective fairly easily". Thus there were complaints of corruption and inefficiency from many quarters. None of these could be checked by us. We have merely stated these reports without any attempt to take sides. In general, the market agencies—dealers, millers and others—were very happy at the withdrawal of controls, even though they admitted that this had not improved their position significantly.

Major findings and conclusions

58. In this section an attempt will be made to present the major findings of our investigation already reported in details. Not all of these findings, conclusions and recommendations will, however, be summarized here. The more important ones will be briefly dealt with. Against the background

of this general summary a few conclusions will also be drawn regarding the justifiability of the measure taken to withdraw price controls and rescind the procurement programme on 24th June, 1959. An idea of the conditions likely to prevail in the remaining part of this year will also emerge from this.

59. Our survey showed that there was a sharp fall in the production of rice in West Bengal in 1958-59. This fall was particularly acute in the surplus districts, which meant more than proportionate shrinkage of total market supply in the Presidency and the Burdwan divisions of the State. The official statistics underestimate this decrease in production which was caused not only by natural factors, but also by the faulty distribution of irrigation water and the shortage, adulteration, etc. of fertilizers. The discrepancy between the official figures of production and the non-official estimates have encouraged us to recommend that a thorough investigation be undertaken at an early date into the manner in which crop-cutting experiments were conducted in the last year to estimate production particularly in the districts of Burdwan and Birbhum.

60. Receipts of farmers decreased more than in proportion to the fall in production. Disposals of paddy in the current year showed also a more than proportionate decrease in sales including expected sales in the fourth quarter. This, again, is not an unnatural phenomenon. There was reason for us to conclude that sales by the producers up to July, 1959 in the Bolpur area were not below expectations. These were relatively lower in the Burdwan area. There was also evidence for us to conclude that the medium and large farmers in the Burdwan area withheld stocks in the current year and tried to increase their sales in the third and the fourth quarters. This tendency was not as noticeable among the Bolpur farmers. In short, there was some amount of withholding of stocks by the medium and large farmers, and certainly delaying of sales to some extent, particularly from the second quarter. The small farmers, however, sold all of their marketable stock by March, 1959. On the whole, the data did not show the existence of stocks at a very high level in the villages. Low level of production in two successive years in this part of West Bengal seem to have depleted stocks at the village level to some extent.

61. The available data did not permit us to draw very strong conclusions regarding market arrivals, despatches, stocks and procurement. The returns of arrivals, despatches, stocks, etc., obtained by us suffered from gross under-reporting. The broad conclusions that could be drawn from these are first, that the level of market arrivals up to March 1959, though lower than in the last year was not below expectations, particularly in view of the low level of production. Marketings by the small farmers must have kept up the level of supplies up to this period. It was only from the end of April or the beginning of May that the volume of arrivals in the market began to dwindle. Delaying of sales by the medium and the large farmers was the main reason for this. The level of stocks in the market began also to dissipate during this period and reached on all-time low by the middle of June. A low stock level had, however, characterized the market position practically all through this year. This was largely due to heavy volume of despatches from the market and dispersal of supplies as a result of uncertainties in the minds of dealers and millers regarding market conditions and their fear of seizure of stocks by the government. In short, the position was not comfortable at all for the dealers and millers from April

1959. Some of the rice millers had to suspend their operation for some time in this period owing to shortage of supply of paddy. It was probably this market situation that led to a scare. A situation of alarm progressively developed in the months of May and June until the lifting of controls on 24th June.

62. Actual prices ruling in the market all through 1959 were higher than the maximum prices fixed by the Government of West Bengal for paddy and rice. But the prices up to April, 1959 were below those in the corresponding months of 1958. There was, therefore, no cause for alarm on this account. It was only from May that prices ruling in the market were above the level of the last year. With the lifting of the controls, however, prices shot up largely as a result of the speculative activities by the millers and dealers, and reached record heights by the end of July from which it showed some tendency to fall in the first week of August. It should be remembered in this connection that in spite of government controls on prices being in force from January 1959, in fact from February 1958, prices in the market had always remained above the controlled rates.

63. The volume of procurement by the government was far below the level of the last year. The performance of the Bolpur market in this respect was far better than that of the markets in the Burdwan area. There seems to have been evasion of the levy by the rice millers on a large extent in the Burdwan area than in Bolpur. The development of road communications and transport helped the Burdwan markets to disperse their supplies and engage in buying in one place, and milling in another establishment to evade controls. There were also reports of slowing down of milling by some of the millers to avoid parting with their supplies through levy. This speculative tendency seemed to have been very strong in June, and in the end benefited the millers as soon as the controls were lifted.

64. There were a number of ways in which government control orders had been evaded. Maintenance of two separate books and concealment of arrivals and despatches was the most common practice. The estimates of such concealment was at least of the order of 20 per cent. Transactions outside the market, particularly in roadside markets and villages seemed to have taken place on a fairly large scale. The government officials often had to connive in these matters because of the fear that strict enforcement of controls would lead to the closing down of many of the rice mills and the dealers' establishments. There were also other interesting ways of evading controls. The mushroom growth of *chira* machines (parched rice) and husking machines, over the output of which there was no levy, caused a serious headache to the government officials in charge of enforcement of controls. A large part of the supply of paddy disappeared from the market through these mills and escaped procurement and even inter-State ban. There is also reason for us to believe that some amount of smuggling across the borders to East Pakistan took place from a few points in West Bengal. In all these matters the markets in Burdwan baffled the government officials much more than the markets in Bolpur or Birbhum.

65. The general reactions of the producers to control measures were very unfavourable. An overwhelming majority of them were against government controls, against the idea of selling directly to the government, and considered the control prices grossly unfair. A fair section of the producers in the Burdwan area had fixed and established sale-purchases relationships with the same dealers or millers from whom they also received credit.

In any case, most of the producers considered that the paddy prices fixed by the government resulted in unfavourable terms of trade for them. A very large proportion of the farmers considered the range of Rs. 13 to Rs. 14 as the fair price for paddy. The medium and the large farmers reported their price expectations at a higher level.

66. *Justifiability of the lifting of controls.*—Analysis of prices and of the arrival position in the two markets during the weeks following the lifting of controls on 24th June, 1959 showed that there was a very low stock position in the market in the third week of June. With the lifting of controls arrivals in the market jumped up in the fourth week of June and in the first week of July. The volume of arrivals during this period, though much higher than in the preceding two months was not, however, as large as would have caused a favourable turn in the market. In fact, probably not more than 2 to 3 per cent of the estimated total market arrivals for this year came forward during the five weeks following the lifting of controls. It is the failure of this arrival to satisfy expectations that led to a scramble for purchases by the millers and dealers who were eager to build up their stocks against the lean months of the rainy season. The result was a speculative rise in price, which did not benefit anybody except a very small section of the producers. The stock position did improve somewhat in the first two weeks but could not be kept up after that. It seems, therefore, that the lifting of the controls failed to satisfy the expectations even of the dealers and millers. All it did was to absolve the government of its indirect responsibility to ensure stocks and arrivals in the market. The traders and the millers could not complain to or blame the government any more about the low stock position or poor arrivals, in spite of the fact that stocks in the market at the end of July, 1959 were in Burdwan less than half of, and in Bolpur lower by a smaller proportion than what they were in July, 1958. Against this small and doubtful gain has to be set off the liability created by the heavy rise in prices.

67. Looking back, therefore, it is difficult to find enough of ground to justify the lifting of the controls on prices and the rescinding of the procurement programme. It seems that if controls had to be lifted at all, they should have been done only when the 1959 crop would have been ready for the market. Besides, it is to be remembered in this connection that there is usually a seasonal rise in the volume of arrivals in many of the markets from the last week of June to about the middle of July. This marketing would probably have taken place in any case in the current year even if the control on prices had been there. Thirdly, not all of the increase in the recorded stocks in the market in the last week of June was actual or real. In fact, not all of the increase in arrivals was also real. What happened on a large-scale was the transfer of hidden stocks and underhand transactions to the open accounts as from the 24th morning.

68. Under these circumstances, it probably would have been a wiser step on the part of the government to lift controls over the retail prices only and also withdraw the levy. Controls on the producer and wholesale prices of paddy and rice should have been retained. These need not have been enforced any more strictly than they were being done previously. The mere existence of these controls on prices would have probably curbed to a large extent the speculative rise of prices in late June and throughout July and caused less resentment among the consumers as well as the small producers. A bad precedent for the coming year has been set by a price of Rs. 20

L33F&A—11

per maund of paddy and Rs. 32 per maund of rice of medium to fine quality in the Bolpur and Burdwan markets. The legacy of these prices would remain for a long time, certainly all through the remaining part of the present crop year.

69. The conditions likely to prevail between August and November can be foreseen to some extent. Prices will continue to remain high. The price of paddy is expected to be heavier between Rs. 18 and Rs. 20 while the price of rice will probably rise some more, fluctuating between Rs. 29 and Rs. 33 for the medium to fine quality. (This quality distinction is somewhat vague in the Bengal markets). Arrivals in the market are expected to be very low in August and up to the middle of September, after which there is likely to be a sudden and heavy spurt due to the seasonal factors (Durga Puja). This level may be maintained all through October if the next crop turns out to be at least average or normal.



INTRODUCTION

1. Orissa has a lower density of population, and is much less industrialized and urbanized than the neighbouring States of West Bengal and Bihar. It is the only State in East India producing a net surplus in rice. Fluctuations in production have caused sharp variations in the amount of this surplus over the last three years. Official statistics show that the production of rice in Orissa decreased from 2,268.6 thousand tons in 1956-57 to 1,701.0 thousand tons in 1957-58. The output in 1958-59 estimated at 2,036.0 thousand tons was 335 thousand tons or 19.7 per cent higher than in 1957-58, but well below the level of 1956-57. Net exports of rice and paddy (rice in the husk) from Orissa amounted to 57,647 and 44,640 tons respectively or 87,407 tons in terms of rice in the year ended March, 1957, as compared to 52,942 and 17,158 tons or 64,381 tons in terms of rice in the following year (April 1957—March 1958). It is not possible from these figures to assess the separate contribution of the two years' crops to the surplus of the State. Figures of procurement by the government show that it was more or less at the same level—55 and 53 thousand tons—in the calendar years 1957 and 1958, though issues from government stock increased from 4 to 39 thousand tons in these years. It seems from these figures that the position in the 1958-59 crop harvest year in respect of the surplus in Orissa would be closer to 1956-57 than to 1957-58.

2. Agriculturally as well as economically, Orissa is not a homogeneous tract. The inland Division of Orissa is quite different from the coastal Division including Ganjam where are located the organized rice markets of the State. It is the yield and supply of rice in the districts—Balasore, Cuttack, Puri and Ganjam that largely determine the extent of the surplus of the State. Production in these districts accounts for over a third of the State's total production. Floods have been in the past the most common and the most recurrent danger to the rice crop in the coastal districts, particularly in Cuttack and Puri. Drought had also taken its toll in some years. The 1958-59 rice crop did not suffer particularly from any of these. Besides, the Hirakud Dam saved the delta area of the Mahanadi from the inundation that had almost chronically affected production in this area. Though district-wise figures of production in 1958-59 are not available with us, there is reason to believe that production of rice in the coastal districts of Orissa increased in 1958-59 by a larger proportion than in the State as a whole. The current year can, therefore, be expected to show an increase in the level of the marketed surplus proportionately greater than the increase in production in the State. It can be said that the marketed surplus out of the 1958-59 crop will be closer to that of the 1956-57 crop than is suggested by the overall production figures of the State.

3. Not all the paddy grown in the State of Orissa is, however, converted into rice within the State. A considerable quantity is exported every year out of the State mainly in the direction of Calcutta. In fact, many of the rice mills in and around Calcutta used to depend, until the re-imposition of movement restrictions in 1957-58, for their paddy supply on the Orissa

markets. The direction of trade in rice and paddy in the coastal Division of Orissa, is, therefore, northward towards the city of Calcutta and beyond. The imposition of inter-State ban on the movement of paddy and rice has disrupted this normal flow of supplies and isolated Orissa rice within the borders of the State. One result of this has been that in 1958 as well as in 1959 Orissa has been having a comparatively low price of paddy. In the crop year (Nov.—Oct.) 1957-58 the price of common paddy at the Bhadrak market ranged between a minimum of Rs. 8-4-0 and a maximum of Rs. 11-4-0. In the crop-year 1958-59 (up to July) the range has been between Rs. 7-8-0 and Rs. 9. In fact, most of this period, the price has been actually at or close to Rs. 8. The price of paddy in the current year has, therefore, been much lower than in preceding year. It should also be noted in this connection that this development has led to a widening disparity between the price of paddy (as well as of rice) in the Orissa market and prices in the markets in the adjoining States of West Bengal and Bihar.

4. It is because of this supply and price position that the problems of the State of Orissa are completely different from those of West Bengal and Bihar. The main objectives of the Orissa Government in the field of rice marketing have been to keep the price within the State at a low level by isolating it from the price influence of the neighbouring States, and to purchase in the surplus areas as much of surplus paddy and rice as possible for supply both to other parts of the State as well as and largely to other deficit States. It is in accordance with this policy that the Orissa Government has been procuring paddy for the last three years, the extent of which has already been indicated in paragraph 1. In order to do this job of procurement more smoothly and efficiently the Orissa Government has introduced a scheme for State purchase of foodgrains from December, 1958 (actually enforced from February, 1959). Under this scheme, the Government of Orissa is purchasing foodgrains from the selected areas for distribution through regulated trade both within the State and for export with the permission of the Government of India to places outside through purchasing agents appointed for this purpose. To facilitate procurement the Government has also divided each of the districts into a number of zones with a target of procurement fixed for each. Another objective of the Orissa Government's policy has been to provide a price support to the farmers. The procurement prices fixed by the government have been notified as the minimum prices and not ceiling prices as in West Bengal. From this brief account, it appears that the main problems so far as rice in Orissa is concerned are first, the support of paddy and rice prices at a comparatively low level, and secondly, State purchase of foodgrains (paddy and rice) from the market with a view to obtaining a command over the marketed surplus for distribution within and outside the State. In this process both the channels and the direction of trade have been changed from their past patterns by a conscious State policy.

II. Production, receipts and disposals by the farmers

5. Information relating to production, receipts and disposals by the farmers was collected from a total of 48 farmers in 10 villages situated within a distance of 3 to 9 miles from the Bhadrak market. The characteristics of the selected farmers in respect of size of family and of holdings are shown below in Table 0.1.

TABLE 0.1—*Characteristics of the Selected Farmers in the Bhadrak Area*

Size of holdings (acres)	No. of farmers	Average size of family in 1959		Average size of operational holdings (acres)
		Members	Servants	
Below 2.5	7	3.9	—	2.36
2.5—4.9	13	4.6	0.2	4.31
5.0—9.9	15	7.3	0.7	7.27
10.0—19.9	6	7.5	1.2	14.83
20.0 and above	7	13.7	2.6	32.14
TOTAL	48	7.0	0.8	10.32

Detailed data regarding these characteristics for the two years, 1957-58 and 1958-59 are given in Table 0.2 (included at the end). These show that there was practically no change in respect of the size of operational holdings between these two years. The population in these farm households increased, however, by 2.4 per cent.

It should be mentioned here that the average size of holdings of the selected cultivators works out to 10.32 acres. This is much higher than the average figure of 5.6 acres given for Orissa in the holding data published in the Reports of the All-India Agricultural Labour Enquiry. In subsequent Tables, we have taken into account the distribution pattern of holdings in Orissa as given by the AIALE and weighted our figures suitably to obtain the total or average for the area.

6. *Production.*—The figures relating to the acreage and yield of paddy as obtained from the selected farmers in the ten villages are given in Table 0.3. There appears to have been in 1958-59 a very large increase in the production of paddy without hardly any increase in acreage at all. The increase in production was of the order of 113.6 per cent calculated on the basis of the returns furnished by the selected farmers. In short, the data collected from the farmers in the Bhadrak area show that the output of paddy in this part in 1958-59 was more than double that in 1957-58, as compared to a 20 per cent increase in the State as a whole. The average yield per acre of paddy in this area in 1957-58 was 5.65 maunds as against 12.07 mds. in 1958-59. It was also reported that in certain parts of Balasore, for example, in the Chandbali area the yield per acre in 1958-59 was as high as 20 maunds. It is significant in this connection that the increase in production in 1958-59 has taken place on the holdings of farmers

in most of the size-groups. The largest increase has been in production on the small farms. The medium-sized farmers in our sample show a relatively poor performance in this respect. In any case, it will be safe to generalize that increase in the yield of paddy in the current year has been shared both by the large as well as by the small farmers probably more by the latter. There is every reason to believe that this increase was by no means a phenomenal factor, since the production in the previous year was at a very low level caused mainly by drought. The crop of 1958-59 cannot, therefore, be categorized as bumper.

7. *Receipts of paddy by the farmers.*—The details of receipts and disposals of paddy are given in Table 0.4. The figures show that receipts in the crop (paddy) year 1958-59 have been only 79 per cent higher than in the preceding year, in spite of over two-fold increase in production. This is due to the fact that output of the farm contributed a much smaller proportion to the total receipts in 1957-58 than in 1958-59. Other receipts mainly through borrowing accounted for 16.1 per cent of the total receipts in 1957-58 as compared to a mere 0.2 per cent in 1958-59. The proportion of these other (borrowed) receipts to total was as high as 60.7 per cent among the small farmers in 1957-58. The good crop of the current year has reduced these receipts from borrowing. It is for this reason that total receipts increased in 1958-59 by a smaller proportion than total production. Among the small farmers, total receipts do not show much of an increase, but their economic position has improved because there was no need for borrowing paddy. The increase in total receipts in 1958-59 was proportionately much greater among the medium and large farmers than among the small, the increase being equal to the rise in production. In fact, it will be larger than production increase because some of them would also have receipts from loan repayment. In our sample, however, there was not much of this.

8. *Disposal and stocks of paddy.*—The pattern of disposals in the two years shows some striking differences. The low level of yields in 1957-58 was responsible for the fact that 82.6 per cent of the receipts were used up in home consumption. In 1958-59, however, the estimated consumption for the whole year out of home production is expected to amount to approximately 48.6 per cent of the total receipts. It will also appear from Table 0.4 that the proportion of total receipts going into consumption decreases with the increase in the size of holdings and volume of receipts. Thus, in the year 1957-58 consumption needs accounted for 98.8 per cent of the total receipts of the farmers in the size-group 2.5 to 5.0 acres as compared to 68.3 per cent in the case of farmers with 20 acres and above. In 1958-59, however, the estimated proportions show decrease to 57.1 and 44.1 per cent respectively. Figures of the balance in stock show that approximately 17.5 per cent of the total receipts in the current year are still in stock, after allowing for the genuine consumption needs. The largest proportion of the receipts still held in stock is with the farmers in the medium size range, i.e., those with holdings between 10 and 20 acres. This group has a net balance still held in stock of the order of 28.1 per cent of their receipts as compared to between 11 and 19 per cent in the case of producers in the other size-groups. Judged by the volume of stocks, however, it is the medium and the large producers who are holding the bulk of the supply still to come to the market in the current year.

9. *Sales.*—As regards sales, it appears from Table 0.4 that 10.4 per

of the total receipts were sold in 1957-58. In 1958-59, sales up to July as per cent of total receipts amounted to 13.0 per cent. The actual quantity sold so far in this year is, however, more than double that in the last year, the actual proportion being 238.6 per cent. From the figures of sales of farmers in different size-groups it appears that all of them have sold a much larger quantity in 1958-59 (up to July) than in the previous year. In terms of proportion of receipts sold the farmers in the size-group 20 acres and above have increased it slightly in the current year and those in the 10—20 acre group have actually sold up to July a smaller proportion than in the whole of the last year, while those in the smaller size-groups have increased it. There is another important feature of the disposal pattern this year. It is that the balance held in stock is actually greater than what has been sold so far (up to July), even though kind payments show a very large increase in the current year over the last. These kind payments are largely on account of debt repayment by the smaller farmers and lending by the larger ones. Anyway, not all of the stock held by the farmers in July are marketable. There will be a small carry-over stock plus seeds. If allowance is made for these at about 10 per cent of production the quantity of paddy still to come to the market in the Bhadrak area will be of the order of 7.5 per cent of production and approximately 55 per cent of the quantity actually sold upto July 1959 or roughly 33 per cent of the total sales expected in this year. In other words, marketing in the remaining part of the current crop-year is expected to be fairly large and to amount to at least one-half of the quantity sold in the market up to July in 1958-59. Most of this supply will come from the medium and large farmers. There is reason, therefore, to conclude that many of the producers, particularly in the medium and large size-groups have so far held back a part of their stocks from the market in the current year.

10. *Seasonal pattern of sales.*—Table 0.5 shows the seasonal pattern of sale of paddy by the selected farmers. The data have been arranged in terms of the first, second, third and fourth quarters corresponding to the three month periods November—January (first quarter), February—April (second quarter), May—July (third quarter), August—October (fourth quarter). It appears from this Table that there has been a large increase (over 1957-58) in sales in 1958-59, both in the first and in the second quarters for which data for the current year can be available. The increase over 1957-58 in the proportion of sales in the first quarter is general and shared by farmers in all the size-groups above 2.5 acres. In the second quarter, however, there was very little sale in 1957-58. Accordingly, the figures as well as the proportion of sales in this quarter in the year 1958-59, caused largely by the better crop cannot be compared with the position in the previous year.

11. An analysis of the seasonal pattern of sales in the year 1957-58 shows that sales in the first quarter amounted to 28.6 per cent of the total as compared to 6.1, 25.8 and 39.5 per cent respectively in the remaining three quarters. The producers in the size-group up to 5 acres sold all their produce in the first quarter of 1957-58. The farmers in the other size-groups held their produce in all the four quarters, the proportion sold in the second and the third quarters being highest among farmers with holdings between 5—10 acres, while the larger producers sold the highest proportion in the fourth quarter. This pattern of sales will be more than strengthened in the current year. In short, sales by the medium and the large farmers in the third and fourth quarters of the current year are expected to form a

much higher proportion unless there is a tendency among them to build up their carry-over stocks and inventories.

12. *Disposals and size of family.*—An attempt has been made in Table 0.6 to correlate receipts, disposals and stocks with the size of family and the size of holdings. The general conclusion that can be derived from this Table is that farmers in the small size-groups, that is, below 5 acres and having large families, *i.e.*, (with more than 5 members) are not left with any surplus stock even in the current year.

III. Market arrivals, stocks and prices

13. Balasore exports the largest quantity of rice and paddy among all the districts of Orissa. About half of the rice mills in Orissa are located in this district at different places. Bhadrak is one of the important wholesale markets for rice and paddy in this district. This market attracts a very large quantity of supply during the post-harvest period, so much so that the millers and the dealers had in the past to secure finance from Calcutta to meet their purchase requirements. Bhadrak is a sub-divisional town at a distance of 39 miles from the district headquarters and well connected with other parts of the State. There are three rice mills at this centre and five others at Chandbali, another important market at a distance of 32 miles. As there is no rail head at Chandbali, all the despatches from Chandbali pass through Bhadrak. In the course of our survey we studied the Bhadrak market intensively, but made some enquiries also at Chandbali.

14. There are altogether 194 paddy purchasing depots in the Bhadrak sub-division. This means that there is a depot roughly at a distance of five miles. These depots are run both by the miller purchasing agents as well as by the non-miller purchasing agents authorized by the Government of Orissa to buy paddy on its behalf. The nature of business in these markets includes assembling of paddy at the depots, their transportation to the major market centre, Bhadrak and Chandbali, milling a part of the paddy at these centres, and export on government account of both paddy and rice to other parts of the State of Orissa and other States.

15. *Arrivals.*—Figures of arrivals, despatches and stocks at the Bhadrak market were obtained from the Civil Supply officers of the State Government. These figures show that in the calendar year 1958 total arrivals at Bhadrak amounted to 4 lakh maunds of paddy and 4.39 lakh maunds of rice as against despatches of 2.28 and 4.98 lakh maunds of paddy and rice respectively. In the calendar year 1959 up to the middle of July, the arrivals were 10.69 and 4.84 lakh maunds of paddy and rice respectively as against respective figure of despatches of 9.22 and 4.61 lakh maunds. It appears, therefore, that within the first six and a half months of the calendar year 1958 the arrivals of paddy at Bhadrak were approximately $2\frac{1}{2}$ times those in whole of the calendar year 1958. Despatches of paddy in 1959 up to 15th July were higher by an even greater proportion. Month-wise details of arrivals, despatches and stocks are given in Table 0.7.

16. It appears from this Table that by far the largest proportion in 1957 of the arrivals were in the months of February, March, August and January in order of importance. This means that in terms of crop harvest year (November—October) the most important period in 1957-58 was the second quarter followed by the third and the fourth quarters. In the current year, however, the largest proportion of these supplies to arrive so far has been

in the month of March. In fact, 47.72 per cent of paddy arrivals in the first six and a half months of 1959 were in the month of March. Arrivals of paddy in July are expected to touch a very low level and are not likely to be higher than 4 per cent of the total arrivals so far. Arrivals have shown a steady decline since May of this year.

17. *Despatches*.—Looking at the figures of despatches at the Bhadrak market, it seems that the highest figure was recorded in March of this year with April closely following. Despatches in June-July have been very low. Figures of the stock position, as at the end of each month, show a progressive decrease in respect of paddy from March. In fact, the stock of both paddy and rice have been lower in June and July of this year than in the corresponding months of 1958. This is, indeed, a surprising feature, particularly because the current year has recorded a much higher production than the last as well as a higher level of arrivals so far. One reason for this low level of stocks is the very high level of despatches maintained so far. In any case, the progressive decrease in and the low level of stocks during the months of June and July, 1959 as recorded in the official figures are ominous signs. It is true that if the pattern of the last year is to be repeated, there is likely to be in August a very heavy volume of arrivals in August, on account of the increase in the demand for funds during the cultivation season. It is doubtful, however, if there will be enough of this in the current year to remove the condition of relative lack of supply in the market. On the whole, the conclusion is inescapable that the medium and the large farmers who, as has been pointed out in the last section, have been withholding a very large proportion of their stock from the market will try to bargain for a higher price in return for their sales. In short, the problem in the Orissa markets is not likely to be one of lack of supplies, unless the crop prospects for the coming year turn out to be very adverse. Price will, however, be the main problem in the remaining part of the year.

18. *Prices*.—Statistics of prices of the common and the fine varieties of paddy at the Bhadrak market for the period January 1957 to July 1959 are given in Table 0.8 along with those of wholesale prices of the common and the fine milled rice in the same market for the period January 1958 and July 1959. The paddy prices relate to the sale price obtained by the cultivators. It appears that prices of both common and fine paddy have shown over this period the same pattern of movement. The margin between the prices of the two has tended to remain stable at 4 annas per maund practically all through the seven months of 1959. It registered an increase up to Re. 1 in certain months of 1957 and 1958. On the whole, however, the variations in the price of common paddy can be taken to be representative of the movements in market price of paddy (and of rice) at Bhadrak. In the crop harvest year 1956-57 the maximum and minimum prices of this variety were Rs. 9-12-0 and Rs. 8 respectively. In 1957-58 which was a bad crop-year the range was wider at Rs. 8-4-0 to Rs. 11-4-0, from which it has narrowed to Rs. 7-8-0 to Rs. 9 in the current year (up to July). It appears, therefore, that there had been a much larger degree of price variation in 1957-58 than in 1958-59 (up to July). In fact, the price quotations show that in 1959 up to May the price of this variety of paddy was practically stable at Rs. 8 per month from which it increased to a range of Rs. 8-6-0 to Rs. 9 in June. In July, however, there was a decrease from this higher level. The main conclusions can be summarized here. In general, the prices received by the cultivators in the current year have been at a much lower level than in the preceding year, and slightly

low but close to the level of 1956-57. Besides, the price has also been extremely stable ever since the introduction of the State purchase scheme. It also appears that the procurement prices offered by the Government of Orissa to the farmers—Rs. 8 per maund for common paddy, Rs. 8-4-0 for fine and Rs. 9 for superfine varieties—though intended to set the floor price, has practically been the ruling price in the market. As a result, prices in 1959 have been lower than in the corresponding months last year by between Re. 0-8-0 and Rs. 1-8-0. The main problem in the Orissa markets, therefore, has been the low price of paddy received by the producers. This feeling of low price has been felt acutely by the cultivators because of much higher price levels across the State border in West Bengal and Bihar.

19. The price of rice at the Bhadrak market also shows the same pattern of movement as that of paddy. The price so far this year has been much lower than in the corresponding months of the last year. It may be noticed from these price data that the margin between the wholesale price of paddy and of rice is very high, the prices of rice being more than 80 per cent above that of paddy at the wholesale level. This high margin again has added to the feeling of the cultivators about an unfair deal in their price receipts.

20. The fluctuation of prices in June and July at the Bhadrak market has not been either erratic or speculative, as will be apparent from the weekly quotations of prices of common paddy and rice given below. Paddy price has shown a rising trend in June and remained high up to the first week of July. It rose to Rs. 8-8-0 per maund in the fourth week of June, the increase being caused by the low level of arrivals in the month plus a speculative factor released with the lifting of controls in West Bengal on 24th June. With the slight improvement in the arrival position in July due to the usual seasonal pattern, the price started declining and steadied itself at Rs. 8-2-0 per maund in the second half of the month. The price of rice, however, shows a continuous rise all through this period, being Re. 1 per maund, or 7 per cent higher at the end of July than in early June. The gap between the prices of paddy and of rice seems to be sticky and has increased over this period. In short, price control in Orissa seems to have kept the price received by the cultivators at a low level.

Weekly Prices of Common Paddy and Rice, at Bhadrak, June to July, 1959.

Price (Rs. per md.) in Week Ending :

	June 6	June 13	June 20	June 27	July 4	July 11	July 18	July 25
Paddy . . .	8/6/-	8/4/-	8/4/-	8/8/-	8/6/-	8/4/-	8/2/-	8/2/-
Rice . . .	14/8	14/8/-	14/8/-	15/-	15/-	15/-	15/-	15/8/-

Changes in the structure and functioning of the market and the role of the Orissa Government.

21. *Changes in number of market functionaries.*—The major establishments at the Bhadrak market in 1958 were two rice mills and eleven dealers including one of the miller-dealers. In 1959, however, the number of rice mills increased to four (they have not started milling up to July) and the

number of dealers to 35. Five of these dealers had branches outside the market proper.. Besides, it was learnt in the course of the investigation that the Government of Orissa has granted licenses for the setting up of 16 more rice mills in the district of Balasore. We were told that 6 or 7 of these new rice mills were being set up at a distance of 8 miles from Bhadrak. It seems, therefore, that the milling and processing functions of the Bhadrak market will register a sharp increase by the end of the current year and promise to record even greater increases in the near future.

22. There has also been a similar increase in the number of dealers and wholesalers in the current year. This increase in their number has been the result of the Government of Orissa scheme for State purchase of paddy and rice. It has been pointed out in the introductory section that in the current year the Government of Orissa has undertaken to purchase paddy and rice through purchasing agents appointed for this purpose. The main functions of these purchasing agents are the assembling of paddy from the producers and its transport to the wholesale market prior to milling and/or export. The significant change in the wake of this State purchase scheme has been a phenomenal increase in the number of assembling centres in the current year. It was found, for example, at the time of enquiry that in Bhadrak Sub-division there were 194 paddy purchasing depots being operated by millers and wholesalers. It was also found that one rice miller at Bhadrak had been running as many as 32 sub-depots in different places of the Sub-division within a radius of 18 miles. The result of this development has been a narrowing down of the gap between the producing areas and the wholesale markets, which has, in return, facilitated the sale of paddy by the farmers all through the year.

23. *Summary of changes in structure.*—So far as the structure of the market is concerned the main changes can, therefore, be summarised as increase in the number of (a) millers, (b) wholesalers and other paddy dealers, and (c) sub-depots and assembling centres of the millers and dealers. All these developments have taken place, however, without any increase in the area of operation or hinterland of the market.

24. *Functional changes.*—The functions of the Bhadrak market are likely to change, however, very significantly in the near future. In fact, some changes are already noticeable. In the first place, the opening of the sub-depots and the assembling centres have led to a better and more regular contact between the producer and the market, which in turn, is likely to help the farmers sell their produce all through the year and even in the rainy season. In the context of the price and supply situation in the Balasore markets, this will be a desirable development, because the supply in the market may be more even and regular than has been the case in the past. There is another change that is likely to come about when the additional rice mills are opened, as proposed, at a distance of 8 miles from Bhadrak. These rice mills would undoubtedly influence the business and reduce the inflow area of the Bhadrak market. This is also likely to be a desirable development inasmuch as it would help eliminate the glut that characterises the Balasore markets in the post-harvest period. In this period, there is usually a heavy arrival of paddy from the rural areas, so much so that a high proportion of these is exported without processing. This happens because of shortage of capacity in the local rice mills. The chances are, therefore, that exports of paddy from the Bhadrak and the

Balasore markets will in future decrease progressively. This will undoubtedly have serious repercussions on the rice mills in the Calcutta area, because these have in the past depended for a good part of their supplies of paddy on the Orissa markets.

25. *State purchase of paddy.*—The scheme for State purchase of paddy and rice by the Orissa Government has already been outlined. It has been mentioned that for purposes of procurement each district has been divided into a number of zones with a procurement target fixed for each. The Bhadrak and the Chandbali markets (Zones 6 and 7) were given a target of procurement at 16 lakh maunds of paddy in 1959 out of which 15 lakh maunds had been procured by 15th of July. It seems, therefore, that the progress of procurement has been on the whole very satisfactory from the point of view of the Orissa Government.

26. An idea may be given here of the machinery evolved by the Orissa Government for the purpose of procurement. The basic change has been the introduction of monopoly purchase by the Government through the help of the purchasing agents. According to their terms and conditions of appointment, the purchasing agents are not allowed to trade in foodgrains on their own account or on account of their heirs and relations within Orissa. These agents are required to purchase foodgrains of F.A.Q. standard within the area of operation allotted to them. Their responsibility includes buying, standardizing and grading, packing and stenciling of the bags, and transportation as per instructions from the Civil Supply Department of the State Government. Those agents who have milling establishments also convert paddy into rice and deliver rice at the ratio of 63 per cent. The paddy husk goes to the miller. The purchasing agents can also appoint with the approval of the Supply Department their sub-agents who are financed by them on a commission basis. For the services rendered under the terms of appointment, the non-miller purchasing agents receive a consolidated commission of Re. 0-7-0 per maund of paddy for export or for internal consumption and Re. 0-5-0 for delivery to the millers. The miller purchasing agents, however, receive a consolidated commission at the rate of Re. 0-7-0 per maund for direct export of paddy and Re. 0-9-6 for export after milling. On completion of despatch or final disposal the purchasing agents submit their bills to the Supply Department for payment. The bills usually include (a) the purchase price of paddy, (b) the consolidated commission, and (c) the transport charges at a flat rate of Re. 0-7-0 per maund in the Bhadrak zone. In short, the functions of the agents include all procurement operations, storage, shortage, interest, handling charges, bagging and stenciling, weighing and transportation up to the rail head.

27. *Destination of exports from the market.*—Spatial distribution of the commodity is a very important function of any market. Data regarding shipments and exports by destination from the Bhadrak market in 1958 and 1959 will give a picture of the way in which this function has been carried out and of changes therein. Since figures of movement by road are not available, inferences have to be drawn from those of shipments by rail. Monthly figures of rail-borne exports (by destination) of rice and paddy from the Bhadrak market during 1957-58 and 1958-59 are given in Table 0.9. It appears from this Table that the distributive function of this market in 1957-58 was largely confined to areas within the State of Orissa. As production in 1957-58 was low all over Orissa, supplies from this major market were dispersed within the State. Out-of-State export amounted to

a very small quantity, 3,200 maunds of rice sent to Calcutta in October, 1958, before the harvest of the better crop of 1958-59. In the current year, however, the direction of trade has completely changed, as will be apparent from the following summary figures :

Destination of Shipments	1957-58		1958-59 (upto July)	
	Paddy (Mds.)	Rice (Md.)	Paddy (Mds.)	Rice (Mds.)
Within Orissa	2,06,000*	3,50,000*	47,759	1,17,251
Calcutta	nil	3,200	86,083	2,29,515
Rest of W. Bengal	nil	nil	1,85,850	99,948
Other States	nil	nil	nil	25,000
TOTAL	2,06,000	3,53,200	3,19,692	4,71,714

*Estimate.

In short, Bhadrak market has functioned in the current year entirely as a feeder to Calcutta and the other markets of West Bengal, shipments to these having been entirely on Government account. Total shipments up to July in the current year have been much higher than in the whole of the last year, exports of paddy increasing proportionately more than that of rice because of limited milling capacity. There has, therefore, been a significant change in the destination of movements from the market.

28. Monthly figures show that August accounted for the heaviest proportion of shipments in 1957-58 followed by April, July and May. In the current year, however, March has so far recorded the heaviest exports followed by April and May.

29. Another interesting development in the current year has been export of paddy and rice to areas in West Bengal other than Calcutta. In fact, supplies went as far away, as Assam. This was largely occasioned by the poor harvest in West Bengal and the need for paddy in that State to feed both the rice mills as well as the consumers.

30. Finally, the detailed figures show that shipments within Orissa in the current year have been largely to the areas bordering on West Bengal or Bihar. This will be apparent from the following figures :

Destination	Shipments (maunds) in			
	February	March	April	May
<i>West Bengal Border</i>				
Jaleswar	—	—	—	2,895 (P)
Lakshmannath Road	—	2,127 (P)	—	11,476 (P)
<i>Bihar Border</i>				
Birmitrapur	—	—	—	1,086 (R)
<i>Barbil</i>	—	—	1,666 (R)	—
Rourkela	2,653(R)	7,671	2,656	18,356

There is reason to believe that a good quantity of these shipments to the destinations other than Rourkela went across the border. There has,

in other words, been smuggling across the Orissa border, the extent of which may not be very small.

31. *Credit position.* As regards advances of credit to the cultivators, the position seems to have deteriorated in the current year. Formerly, the farmers used to get credit up to an amount from the millers and paddy depot holders even though the extent of this practice seems to have declined in recent years. Since the introduction of State trading, the credit position of the millers and paddy purchasing agents has been affected. The complicated and devious process involved in the submission of bills, verification, checking and despatching results in an unusual delay in payment by the Government to the dealers. As a result, their funds have become blocked to some extent, and circulation slowed down. Besides, the millers have started from this year their own depots and commission agents and have had to finance them. Moreover, the purchasing agents know that the producers can sell their produce only to the authorised agents and are, therefore, not keen on advancing credit to the producers. Existence of fixed procurement price, monopoly purchase and the absence of competitive element in the market have thus tended to discourage advances to the farmers. The result has been that the credit advanced to the producers this year has been very insignificant. On the contrary, there were reports this year that instead of receiving credit from the traders and millers, the producers in certain cases had to give credit to their dealers. That is, the farmers sold their produce on a deferred payment basis.

32. The introduction of the scheme for State purchase of paddy and rice has, therefore, led to a shrinkage of the credit facilities that farmers used to obtain from traders in the past. In the Bhadrak area the extent of such credit was not very large in recent years. Only 4 per cent of the producers interviewed by us replied that they obtained advances from millers/dealers in 1958-59. The proportion was undoubtedly higher in the past. This position is also reflected in the fact that a small proportion of the producers sell their produce every year to the same dealer or miller. As many as 84 per cent of the producers interviewed said that they were not "bound" or "tied" to any particular dealer or miller. (Table 0.10). The proportion is likely to go up even higher in the next year, because credit was extended to producers by the dealers/millers on a much more restricted scale in this year.

33. Shortage of funds has been also experienced by the dealers and millers. It has already been pointed out that the heavy seasonal rush of supplies in the market—a common feature of the Balasore markets—tended to create a glut in this year. Delay in the payment of bills, by the Government has heightened the availability of funds in the market. The dealers/millers could not at times obtain sufficient credit from banks mainly because of the Reserve Bank's directive to banks restricting the amount of advances against foodgrains. Sometimes, they tried even to obtain loans from Calcutta. Anyway, this tight money position sometimes found the Bhadrak market going without any buyers of paddy.

34. The net result of this drying up of credit from the trade to the producers and of the shortage of funds in the trade has been on the one hand, an increase in forced sale of paddy by the producers and, on the other, shortage of buyers in the market. Conditions of a buyers' market have thus ruled in the Bhadrak market this year and have tended to keep prices very low. There is reason to believe that this situation was not peculiar to Bhadrak.

Enforcement and evasion of government controls and administration

35. The important aspects of the government control over, and administration of paddy and rice in Orissa are (a) floor prices for purchase from the producers, (b) virtual monopoly purchase by the State from the producers through agents, (c) inter-State movement only under government permit, and (d) ban on inter-State movements except with the approval of the Government of India. There has been a fair measure of success in the administration of these measures. But there have been some evasions too. A brief discussion of these will be attempted in this section.

36. *Prices.*—The floor prices fixed by the State Government for procurement of paddy were Rs. 8, Rs. 8-4-0 and Rs. 9 per maund of common, fine and superfine varieties of paddy respectively. In spite of the fact that these were minimum prices, under-rate purchases were reported from some of the interior areas. Common paddy was reported to have been sold at Rs. 7 per maund and in some cases at prices even lower. This phenomenon of unfair prices in the villages is not new in Orissa. In fact, the Orissa farmers have been smarting under this sort of injustice for a number of years. Apart from this, the minimum price has been effective in the organized and larger markets. But the floor price has also tended to become the standard price. Because of complaints about low prices, the State Government has raised the procurement price of superfine paddy by 0.59 up as from 1st August with the approval of Government of India.

37. *State Purchase.*—There were reports received by us of purchases by dealers or millers at Bhadrak to evade government procurement. This does not mean that there was private purchase on an extensive scale. Until recently, there was no legal ban on purchases below 50 maunds. What the dealers have tended to do is to divert supplies to other markets nearer the State border. Private purchases have taken place on a large scale in such markets.

38. *Movement of Supplies under Government Permit.*—While shipments by rail have all taken place under instructions from the government, there have been reports of considerable movement of stocks by trucks, bullock carts and head load from Bhadrak to markets near the West Bengal border. Loopholes in enforcement have helped such movements. Sometimes such movements have been allowed deliberately to clear the market of a glut.

39. *Smuggling Across the Border.*—Six out of the thirteen districts of Orissa are on the border of high priced areas of the neighbouring States. Not even the most rigorous checking and patrolling on the border areas could stop smuggling completely. But it was also heard that at times such checking and patrolling was relaxed so as not to prevent supplies of paddy and rice from going to the neighbouring States. This was done, we were told, to ease the bottleneck occasionally created in the market by the heavy arrivals. It is this sort of smuggling that has led to the phenomenal increase in movements to markets like Jaleswar and Lakshmannath Road near the West Bengal border. Prices in these markets are also higher. Many of the big producers in the Bhadrak area, we were told, were trying to sell their stocks there. Some had applied for movement permits. In short, smuggling over the border has been very large this year.

Opinions and views of producers and traders

40. *Knowledge of the State Purchase scheme.*—It appears to us that the average farmers in the Bhadrak area were not fully aware of the fact that

they were selling paddy and rice to the government through the agents. There was very little of direct sale to the millers at the mill gate. Most of the sales were to the sub-agents or agents whom the producers interviewed categorized as buyers other than government, as can be seen from the figures given in Table O. The farmers have thus been selling to the Government without being aware of it.

41. *Reactions of Producers to Government Control.*—The views of producers on controls do not appear to be unfavourable. They do not disapprove of the control policy of the government. But they want controls with higher prices for their produce. This was atleast the view of the small and medium producers. In the past, they say, they had been exploited by the millers and dealers in respect of prices, weighment, rebate etc. This happened because in Orissa, there were and are not even now enough of rice mills to process the total supply of paddy, which explains the exports of huge quantities of paddy. Prior to the introduction of State trading, the millers had been dominating the market. In fact, in Orissa, it is still a *buyers' market* while in West Bengal it is getting to be a *seller's market* this year. Consequently, the general opinion of the medium and small producers is that "let there be controls; but the prices should be higher".

42. As regards information on 'persons selling to the government' and 'not selling', the answers have not been satisfactory in the sense that all producers are not fully aware of the State purchase scheme. There has not been enough of publicity and propaganda about this scheme. In fact, the producers are now selling to the government though indirectly through the purchasing agents. But they do not know about it.

43. Questions were also asked to understand farmers' resistance to selling to the government. About two-thirds of the respondents complained of low price. The producers often talk of high prices of paddy prevailing in the States of West Bengal and Bihar and complain against the 'unfair deal' they have been having for the last three or four years.

44. Another complaint voiced by the farmers as well as the traders is that the inspecting officers of the Government of India applied rigorous specifications on the quality of paddy and that stocks were rejected and prices cut down, if the quality did not come up to the F.A.Q. standard. The maximum permissible limit of extraneous matter like sand, silica, mud, chaffings, husk, etc. in the paddy procured on behalf of the government has been fixed at 3.0 per cent. Unless the paddy containing more than this maximum permissible limit was cleaned and brought up to this standard quality before delivery to the government, prices were cut down according to the percentage of foreign matters. There were cases of the stocks of the millers and dealers having been rejected in many cases and prices cut down. This price-cut and quality control, desirable by all means, ultimately falls on the producers, for the purchasing agents adopt even more stringent measures and deduct the proportion of dirt, grit, earth-particles, and other foreign matters *arbitrarily*.

45. Another complaint has been the delay in payment and sanction of wagons for despatch by the government. This has from time to time kept the market prices at low levels.

46. Opinions of persons desiring to increase the stock at any cost and of persons holding stock for higher prices show that a little over 50 per cent

of the producers were reported to be holding their stock for higher prices.

47. *Producers' expectation regarding the price of paddy.*—The general opinion of the producers, traders and government officials has been that prices in Orissa fixed by the government are unfair. Answers were sought from the producers regarding the prices they would prefer to have their expectation level covers the range Rs. 9 to Rs. 12. Only two respondents (4.2 per cent) expressed their expected price of paddy at Rs. 11 and Rs. 12 respectively. Out of thirty-seven respondents, thirty persons (62.5 per cent) expected a price for paddy of Rs. 10. This expectation was shared by farmers in all size-groups. The traders on the other hand, considered Rs. 9 to be a fair price for the producers. It may be mentioned here that the prevalence of low prices in this area for the last few years has tended to lower the producers' expectation of the level of prices. It was heard that the State Government's effort to obtain higher prices from the Government of India had failed. It may, however, be added here that since August 1, 1959, procurement prices of super-fine rice and paddy have been raised by Re. 1 and 0.59 nP with the approval of the Government of India.

48. *Reactions of traders.*—There was a general dislike of the State purchase scheme among the traders interviewed. These traders had been in business at Bhadrak for 15 to 20 years. Their opposition to the system is on four grounds. First, it has kept their funds blocked and tended to create a tight money position. Secondly, it has involved them in detailed book-keeping, and additional, besides involvement in inflexible bureaucratic machinery. Thirdly, the irregularity of government purchases often keeps them without business and acts as a damper on market prices. Finally, the controls and procurement have taken away the freedom of prices to fluctuate in the open market and encouraged underhand transactions. The dealers and millers complain of restriction of their business in the face of an increasing market supply over the years. They also regret their loss of direct business with the Calcutta market with which they had longstanding connections.

सत्यमेव जयते

Conclusions regarding the present position and the likely situation in the rest of the current year

49. *Summary.*—Some of the important findings will be summarized here in order to arrive at general conclusions. In the first place, production of paddy in 1958-59 in the Balasore area was more than double that in 1957-58 as a result of better rainfall. The yield in 1958-59 was, however, by no means bumper.

50. The higher production coming as it did after a year of exceptionally poor harvest led to a more than proportionate increase in arrivals in the market so much so that gluts were often created.

51. Sales by the farmers in the current year were, by no means, lower than the expectations. In fact, there is no doubt that the rice markets could not have handled a higher level of sales and marketings under the present circumstances. This was not meant that all of the saleable stocks with the farmers had been marketed by July. The large producers still carried a heavy volume of stocks which they were holding back from the market.

52. The price of paddy has remained stable at a very low level all through the current year and caused a feeling of unfair deal among the producers. Sales had also taken place in interior markets at prices below the

floor level. Floor prices have become the standard prices in the market. Producers have often complained of forced sales, harassment, and even deferred payment.

53. The structure of the rice markets and the functions performed by them have changed tremendously during the current year as a result of the introduction of the State purchase scheme by the Orissa Government.

54. There has been a general tightening of the credit and money-supply position in the market, the pinch of which has been felt acutely by the producers in the form of low prices and lack of advances from the dealers.

55. Reports of smuggling across the State borders have been obtained from reliable sources. This has been the major violation of Government controls.

56. *Forecast.*—The conditions in the Bhadrak market at the time of our enquiry in July were (a) drying up of arrivals to the market, (b) easy price situation at a low level, (c) a comparatively low level of stocks with millers and dealers, and (d) a fairly high level of stocks with the large and medium farmers. Factual information on these points have been given in the earlier sections of the report. Some additional data regarding weekly purchases and stocks collected from three selected traders are given below to show the position in the market.

Weekly Purchases and Stocks of Paddy by Three Selected Purchasing Agents at the Bhadrak Market, March—July, 1959.

Month	Purchases (in mds.) by week					Actual balance in stock	
	1st	2nd	3rd	4th	Total	%	(Mds)
March . . .	13,859	11,243	10,228	9,209	44,539	54.9	83,063
April . . .	2,147	2,585	3,007	351	8,090	10.0	58,539
May . . .	560	118	3	42	723	0.9	34,378
June . . .	1,067	11,723	2,989	2,923	18,711	23.1	26,919
July . . .	3,740	5,340	N.A.	N.A.	9,080	11.2	23,216
					81,143		

57. It appears that weekly purchases decreased steadily from March to May. There was a very great recovery in June which was maintained up to the first week of July. This increase was due purely to seasonal factors. Market reports confirmed our belief that arrivals in the last two weeks of July were very low. This is also reflected in the fall in prices of paddy all through July. Stocks have also steadily declined over the months and was lowest in July.

58. The reasons for this situation are largely seasonal. The millers reported that their milling requirements for the balance of the current year had been kept in stock. But since milling in the rainy season was always

on a very limited scale, they did not need any further supplies. The Government had also slowed down procurement with the result that there were very few buyers in the market. This is one reason for low prices ruling in the market in spite of low arrivals. Another reason is that the transport cost from the villages goes down in the rainy season, because farmers bring supplies by river boats.

59. So far as the producers are concerned, the heavy volume of stocks still held by them is bound to come to the market by October unless crop prospects in the current year turn bad. According to all reports, between 25 and 30 per cent of the current years' market supply is still to arrive at the market. According to our estimate based on the data collected from the producers, the proportion was slightly higher at 33 per cent. With such a heavy potential supply, there is likely to be no pressure on prices in the remaining part of the current year. In fact, if anything, prices will need extra support.

60. In spite of claims of successful procurement by the Orissa Government, it appears that not all of the surplus has yet been procured or mopped up. If the State does not slow down its purchases, there is scope for procuring by October, 1959 almost half of the quantity actually purchased by July, 1959.



Bihar

SECTION 4

INTRODUCTION

1. Bihar grows probably the largest variety of crops among the States of India. The foodgrain crops produced and consumed in Bihar include rice, maize, wheat, gram, pulses, barley and a number of millets. Rice is, however, the most important crop, followed by maize and wheat. The cultivation of these crops shows some amount of geographical specialization among the three natural and economic regions of Bihar, North Bihar, South Bihar Plains and the Chotanagpur Plateau. Rice is evenly distributed over the three regions but the production of maize is largely concentrated in North Bihar, and of wheat in the North and South Bihar plains. Consumption patterns of the people follow largely this geographical distribution of foodgrains production. The State of Bihar is deficit in foodgrains production and has to import wheat, rice, maize and other foodgrains from outside to meet the internal requirements.

2. In 1957-58 rice and maize crops were badly affected by drought and their production recorded a very sharp fall. Wheat and other rabi crops, however, showed a satisfactory level of production in 1957-58. The level of production improved phenomenally in 1958-59, as will be apparent from the figures given below. In fact, production increased, thanks to a favourable weather, so much that judged from the level of supplies in the State in the year 1957-58 Bihar became almost self-sufficient in rice and maize. The deficit in wheat was also considerably reduced. What is equally significant and important is that this rise in production was fairly evenly distributed among all the three regions. The increase in North Bihar in particular was most welcome, because this region had over the last few years acted as a scarcity pocket generating forces leading to price increase in the State. It should be remembered that the good crops of 1958-59 came after a series of poor crops in Bihar which had led to a low supply and

high price situation in the State. An easing of this situation in 1958-59 was, therefore, to be expected to follow from the favourable harvests.

Increase in Production in 1958-59 over 1957-58.

Region	Rice		Wheat		Maize	
	Quantity ('000 tons)	%	Quantity ('000 tons)	%	Quantity ('000 tons)	%
North Bihar . . .	691.0	109	38.2	34	80.4	50
South Bihar . . .	555.1	67	83.6	54	14.6	13
Chotanagpur . . .	672.0	81	5.8	106	-1.3	-2
Bihar TOTAL . . .	1,914.2	84	127.6	47	93.7	27
Net Imports in* 1957-58 ('000 tons)	142.3		254.9		17.6	

*By rail and river in the fiscal year.

3. The nature of and channels in the marketing of foodgrains in Bihar resemble those of the Uttar Pradesh, more than those in the States of East India. In the first place, rice mills are not common except in parts of Chotanagpur. In the rice markets, therefore, the rice millers are not important functionaries, unlike in West Bengal. Secondly, the markets are like the *mandis* of North India where the wholesalers and *arhatiyas* occupy the dominant position. This is particularly the case in the marketing of wheat, maize, gram and other foodgrains. These wholesalers, the bigger ones among them, have contacts and links with the upcountry markets and traders. The links between them and the producers are much less direct than in West Bengal. Small traders or itinerant merchants sometimes acting as commission agents of the wholesalers are largely responsible for purchasing foodgrains from the producers. This pattern of marketing has not undergone much change in Bihar, in spite of changes in many directions. Difficulties of communication have helped the preservation of the middlemen and commission agents. Lastly, there are no regulated markets in Bihar.

4. The low level of production of rice, maize and other kharif crops in 1957-58 created a condition of scarcity in the markets and led to an abnormal rise in the price of paddy, rice, maize and almost all cereals. It should, however, be mentioned that prices had been very high in Bihar from the middle of 1957. It was against the background of a persistent

deficit in foodgrains in Bihar that the Bihar Foodgrains Export Control Order was issued in December 1957 banning the exports of rice, paddy, wheat, gram, maize, barley and other products from the State. With the improvement in the supply of foodgrains in the State from October, 1958, prices began to decline from the high levels reached in 1957-58. It is in this situation that a levy of 30 per cent was imposed on the wholesalers and millers in rice and the State Government undertook a rice procurement programme. From the end of December 1958, a ceiling was also imposed on the price of milled rice. The maximum wholesale price of milled rice was fixed at Rs. 16 per maund in the State. With the rabi crop prospects appearing bright, in February 1959, the Milled Rice Procurement (Levy) Order was amended reducing the levy in respect of rice from 30 to 25 per cent. We were told that the levy was subsequently withdrawn. Later in the year the price control order was rescinded (3rd June, 1959). As from 22nd June 1959, an amendment to the Foodgrains Export Control Order prohibited imports of rice, paddy and their products into the State. This is a brief account, admittedly incomplete, of the controls introduced in Bihar during the years 1958 and 1959.

5. The investigations for the purpose of our study were conducted in the district of Monghyr. The reasons behind the selection of this district were partly administrative and partly geographical. The geographical position of the Monghyr district makes it representative of the three regions of Bihar. Data were collected from two market areas. Begusarai in the northern part and Monghyr to the south of the Ganga. A total of twelve villages, six around each were also covered, apart from the markets in the two places. The foodgrains studied were rice, wheat and maize. It must be mentioned here that the field investigations had to be wound up before they were complete, because of the short time within which the study had to be completed and reported.

6. The conditions in the district of Monghyr in respect of production of foodgrains in 1957-58 and 1958-59 were fairly representative of those in Bihar. Production of rice, maize and wheat in 1958-59 increased roughly by 117, 51 and 110 per cent respectively. On the whole, the order of increase in the production of these three crops in the Monghyr district was larger than either in the State or in most of the regions. In spite of this general increase in the district, there were pockets or areas where the increase in production was very small.

7. The components of the markets in Monghyr and Begusarai are (a) wholesalers undertaking purchase, storage and distribution of foodgrains, (b) 'arhatias' or 'goladars' whose function is mainly to offer storage facilities for the assembling of produce, (c) village traders or the so-called middlemen who purchase crops from the producers either on their own

or as agents of the wholesalers and (d) retailers who get supplies from the *arhatias* for distribution among the final consumers. It is the function of the village traders to make the actual purchase and assemble the grains from the producers either deliver them to the wholesalers or store the commodities in the godowns of *arhatias*. In Monghyr proper, the *arhatias* are important agents undertaking distribution to the retailers, and offering storage facilities to the village traders for a charge of 1.2 per cent on the value of sales. The *arhatias* like the wholesalers also purchase supplies from the village traders for trading on their own account and advance money to the latter for this purpose, thus combining the functions of wholesalers, commission and storage agents. The wholesalers have links with other markets. Those in Monghyr or Begusarai have connections with traders on the other side of the Ganga and undertake transportation of supplies by boats.

Production, receipts and disposals by the farmers

8. With a view to assessing changes in the crop year, 1958-59 in respect of production, disposals and holding of stocks by the farmers relevant data were collected from 58 farmers in different holding groups drawn from 6 villages around the Monghyr market and 54 farmers drawn from 6 villages around the Begusarai market. The villages around Begusarai were selected within a radius of 5 miles. But those for the Monghyr centre had to be selected from a larger radius, because the main producing areas were at some distance from this district town and market. The villages were in the fertile diara area on both sides of the Ganga and produced all sorts of crops. Pulses are very important in this area, apart from cereals like wheat, rice and maize.

9. The characteristics of the selected farmers in respect of size of family and of holdings are shown in Table B.1. Detailed data regarding these characteristics for the two years 1957-58 and 1958-59 are given in Table B.2 (included at the end). These indicate that in Monghyr there has been no change in the size of holding in 1959 as compared to 1958. Population shows an increase by one only from 498 to 499. In Begusarai, however, there has been an increase both in holding acreage (5.9 per cent) and in population (1.6 per cent) in 1958-59 over 1957-58.

10. The average size of holdings of the selected cultivators in the Monghyr area works out at 22.14 acres and that for the Begusarai area at 8.91 acres. Our Farm Management studies show that the average size for North Monghyr is about 4.3 acres and for Central Monghyr 7.9 acres. In other words, the holding sizes are bigger in the Monghyr area than in Begusarai. But the figures of 22.1 and 8.9 acres are much higher than the average size for Bihar of 4.1 acres given in the Report of the All-India Agricultural Labour Enquiry Committee. To counteract this bias in our

sample, we have taken into account the distribution-pattern of holdings in Bihar indicated by the All-India Agricultural Labour Enquiry Committee for weighting the average figures used in our subsequent analysis. This has been done to ensure comparability of the figures of the two areas of investigation with those for the State as a whole:

11. *Production.*—Statistics of changes in yield of the principal cereal crops grown in 1957-58 and 1958-59 on the selected farms are presented in Table B.3. It should be noted that the crops cultivated by the selected farmers in the Monghyr area and included in Table B.3 are paddy, wheat and maize. The only crop shown for the Begusarai area is wheat, even though maize is probably the most important cereal grown in this area. But it had to be left out, because the data for 1957-58 were found to be unreliable. Rice is not grown much in the Begusarai area. The figures in Table B.3 show that the production of all crops excepting maize in the Monghyr area sharply increased on the holdings in all size-groups in 1958-59, the overall increase in paddy, wheat and maize being 76.3, 68.1 and 6.3 per cent respectively. As there was no change in acreage under any of the crops, the increase in production of each was due to increase in the yield per acre. The highest rates of increase in the yields of all the crops have been found on the holdings of farmers in the 5—10 acre group. In Begusarai, the acreage under wheat increased in all the size-groups of farms in 1958-59, the overall increase being 7.1 per cent over 1957-58. Total production of wheat, however, increased by 11.6 per cent. The yield per acre appears to have decreased on the holdings of the smallest and the largest farmers. Total production in the size-groups 20 acres and above shows, as a result, a decrease of 2.05 per cent in 1958-59 over 1957-58, in spite of an increase in acreage. Wilful concealment of facts may be the main factor for the low returns of production given by the very large farmers (20 acres and above). On the whole, there appears to have been no spectacular increase in the yield of wheat in 1958-59, as in the State as a whole, because the harvest of 1957-58 was also good.

12. *Receipts of foodgrains by the farmers.*—Figures of receipts of rice, wheat and maize by the farmers are given in Tables B.3 and B.4. The selected farmers in the Monghyr area did not report any area either leased out or leased in on a crop-sharing basis. Besides, none of them reported any carry-over stock in spite of our best efforts. Receipts in their case were, therefore, taken to be equal to production on the farm. The picture is a little different in Begusarai. Here total receipts of the farmers belonging to the holding groups 2.5—5.00 acres, 5—10 acres and above 20 acres included some share rent from land leased out which registered almost a 13 per cent rise in 1959. Besides all the farmers had some starting stock of wheat in 1958-59 as a result of the good rabi season in 1957-58. All

these have accounted for a 22 per cent increase in total receipts of wheat in 1958-59 over the level of 1957-58. The increase in receipts of wheat in Begusarai was, therefore, higher than the increase in production.

13. *Disposal and stocks held by farmers.*—Items of disposal of crops given by the farmers in Monghyr are only sale and consumption as shown in Table B.4. The proportions of receipts of paddy and wheat going into home consumption (estimated for the whole year) in 1958-59 show a decline among farmers in all the holding-groups. In 1958-59, the estimated consumption out of home supply of paddy would be nearly 52.4 per cent of total receipts as against 80.1 per cent in 1957-58. The proportion for wheat in 1958-59 would be 60.5 per cent as against 84.5 per cent in 1957-58. The decrease in the proportion of receipts going into home-consumption in 1958-59 was obviously due to the rise in the levels of production and receipts. The proportion of consumption of maize out of home-production was, however, slightly higher in 1959 than in 1958. These decreases in the proportion of receipts going into home consumption reflect merely a State level of domestic consumption in both the years. In terms of quantities, the domestic disappearance remains almost the same in the case of rice, but increase by about 7 and 4 per cent in the case of wheat and maize respectively. Proportions of receipts held in stock at the end of July this year were 37.3, 28.7 and 27.6 per cent respectively for paddy, wheat and maize. Stocks of both paddy and wheat were many times higher than at the end of the last year but almost half in the case of maize, though such a comparison is strictly not valid.

14. In Begusarai also the increase in total receipts in 1958-59 has been responsible for a lower proportion going into home consumption, the figures for 1957-58 and 1958-59 being 74.0 and 64.1 per cent, respectively. The greater the size of holdings and volume of receipts the lower is the proportion of home consumption to total receipts. For example, the proportions of home consumption to total receipts in 1957-58 were 37.5 and 15.0 per cent in the holding groups 5—10 acres and 20.0 acres and above, respectively, the corresponding figures for 1958-59 being 28.4 and 12.9 per cent. The balance in stock in the two years can not be compared, as the balance in 1957-58 was net stock after sales and consumption, while the stock as shown for 1959 was not a year-ending balance but the balance as in July. It included sales to take place in the remaining three quarters of the crop year 1958-59. Proportion of receipts of wheat held in stock by the end of July was 12.6 per cent. The proportion was much higher in the case of farmers with holdings above 20 acres.

15. *Sales.*—Total sales of paddy by the farmers in the Monghyr area amounted in 1958-59 (up to July) to 15.2 per cent of total receipt as against 24.3 per cent in 1958. The corresponding percentage of sale of wheat in the year 1958-59 (up to July) was 10.8 per cent as against 7.2

per cent in 1957-58; and sale of maize was 18.2 per cent in 1958-59 as against 7.3 per cent in 1957-58. In Begusarai the overall sale of wheat has increased from 22.8 per cent of total receipts in 1957-58 to 23.1 per cent in 1958-59. It may be noted here that the rate of sale in 1958-59 has not been affected in any way either adversely or favourably by any change in the consumption of the villagers which shows only slight change in absolute terms.

16. The average quantity of sale of paddy and wheat in Monghyr up to the end of July 1959 has decreased by 55.9 and 18.1 per cent respectively over the level of 1957-58. There has, however, been a 14.8 per cent increase in the quantity of sale of maize in 1959 (up to July) over the level of 1957-58. It appears that the farmers have raised their sales of maize in the current year and kept down those of rice and wheat. Maize has thus substituted rice and wheat in the marketing patterns of the farmers. While there is possibility of total sale of wheat in 1958-59 exceeding the level of 1957-58 on account of some additional sale which can be reasonably expected during the remaining quarters, it is doubtful if the total sale of paddy in 1958-59 would exceed the level of 1957-58. For one thing, stocks of paddy with the farmers had been seriously depleted by the poor harvests of at least two successive years. There is a natural tendency to build up inventories to their traditional levels. Besides, there is no pressing need for sale by the larger farmers. Lastly, unless the prospect for the coming maize crop—so far not unfavourable—turns out to be bad, there will be no way of bringing out the stocks of paddy.

17. *Seasonal pattern of sales.*—The seasonal pattern of sale of crops is shown in Tables B.5(a) and B.6(b). The seasonal distribution of total annual sales is shown by quarters of the crop years. As these years extend from the harvest period of the particular crops, the fourth quarters for the different crops will correspond to different parts of the calendar year, as has been shown below :

Paddy :	1st Quarter	.	.	.	November—January
	2nd Quarter	.	.	.	February — April
	3rd Quarter	.	.	.	May — July.
	4th Quarter	.	.	.	August — October.
Wheat :	1st Quarter	.	.	.	April — June.
	2nd Quarter	.	.	.	July — September.
	3rd Quarter	.	.	.	October — December.
	4th Quarter	.	.	.	January — March.
Maize :	1st Quarter	.	.	.	October — December.
	2nd Quarter	.	.	.	January — March.
	3rd Quarter	.	.	.	April — June.
	4th Quarter	.	.	.	July — September.

18. *Paddy*.—In 1957-58, almost all the farmers in the Monghyr sample except a few of the big producers completed their sale of paddy, wheat and maize during the first two quarters of the crop year. While there was no or little sale of these crops by the small farmers with holdings below 5 acres both in 1957-58 and in 1958-59, the rate of sale by the medium and large farmers has been much lower up to July 1959 than in the corresponding period of 1957-58. Thus, while during the first two quarters of 1957-58 the medium sized farmers (with holding of 10—20 acres) sold only 15.7 per cent of their total receipts of paddy, they sold only 27.8 per cent during the corresponding period 1957-58. The figures for the large farmers (with more than 20 acres) in the corresponding period were 17.4 and 27 per cent in 1958-59 and 1957-58 respectively. Farmers of all groups taken together sold only 15.2 per cent of the total receipts of paddy in the first two quarters of 1958-59 as against 20.4 per cent in the corresponding period of 1957-58. Sales of paddy by all groups of farmers in the first quarter of 1958-59 were, however, higher in proportion to receipts than in the corresponding period of 1957-58. The proportion in the second quarter has recorded a slight decrease. These findings can be summarized here. Sales of paddy by the farmers in the period January to March, 1958 were almost at the same level in relation to receipts as in the corresponding period of the last year. It is in the next quarter (April to June) that the proportion of sales to receipts decreased so much so that the proportion of the total sales in these two quarters of 1958-59 became lower than in 1957-58. The medium and the large farmers, particularly the former, were responsible for reducing the proportion of sales in the second quarter. These farmers, can therefore, be said to have delayed their sales of paddy. सत्यमेव जयते

19. *Wheat*.—Farmers in the holding group above 20 acres sold between April and June, 1959, 7.4 per cent of the total receipts of wheat as against 2.4 per cent in the corresponding period of 1957-58. All farmers taken together sold in this quarter of 1959, 8.7 per cent of the total receipts of wheat as against 0.7 per cent in the corresponding period of 1958. In the Begusarai area, the proportion of sales to receipts shows a slightly different picture. There has not been any overall decrease. The proportion of sales to total receipts of cultivators with 20 acres or more in this quarter decreased by 80 per cent (33.41 per cent in 1957-58 and 7.60 per cent in 1958-59) in 1958-59 in relation to 1957-58. Cultivators in the size-group 5—10 acres sold a much higher proportion of their total receipts in 1958-59. The decrease in the proportion of sales to receipts by the large farmers in the period April to June 1958-59 from the level of the corresponding quarter of 1957-58 indicates a withholding tendency on their part. The rise in the price of wheat expected in the rainy season has delayed sales from the first quarter of 1958-59. The cultivators in the size-group 5—10 acres sold a much higher proportion of total receipts

as the ruling price in 1958-59 was much higher than the corresponding price of 1957-58.

20. The picture of the sale of maize is a little different. While the medium farmers sold in the first three quarters of 1958-59, 15.0 per cent of the total receipts of maize as against 15.7 per cent in the corresponding period of 1957-58, the large farmers sold 59.8 per cent of the total receipts in the same period of 1958-59 as against only 26.1 per cent in the corresponding period of 1957-58. Of the total receipts of maize of all farmers 18.2 per cent were sold in the first three quarters of 1958-59 as against 7.3 per cent in the corresponding period of 1957-58. There was no sale of maize in the fourth quarter of both these years. Percentage sale in the second quarter of 1958-59 has, however, been higher than in the third quarter in relation to the position in 1957-58.

20(a). Thus there has been a change in the seasonal pattern of sale of crops by the farmers in 1958-59. In general, the rate of sale was higher in the period April to June, than between January and March in 1958. Just the opposite happened in 1959. The rate of sale in the period January to March was higher than between April and June, 1959. This may be due to the urgency of clearing in the early part of 1958-59 obligations which accumulated in the preceding years of bad harvest. While in 1958 the rate of sale between July and September was much lower than in the preceding quarters, the current year has been characterized by a total absence of sale in this period except for maize the rate of sales of which in this quarter has been substantial though lower than in the preceding quarter. It is also remarkable that in the case of none of the crops considered here has the increase in production or receipts been matched by even a proportionate increase in sale. Two facts emerge clearly from this picture, first, the withholding of stocks of paddy and wheat by the medium and the large farmers and second, the sale of maize to a larger extent in place of sales of paddy and wheat. The latter has made the former possible. This withholding may not all be speculative and in anticipation of high prices. There may be a reasonable amount of tendency merely to replenish depleted inventories.

Market arrivals, despatches, stocks and prices

21. The limited time at our disposal did not permit us to complete the investigations into the two selected markets. The market agencies were not cooperative, and many of them refused to give us any information. Our study of the two markets, therefore, suffers from gaps and inadequacy. Besides, the wholesale market at Monghyr specializes in storage, and distribution, the functions of purchase and assembling being done largely at other markets or *mandis*, notably Luckeesarai. The Begusarai market is also of this type and linked to the other grain markets, particularly the

Teghra Mandi. To make a complete study of the different aspects of market structure and functioning, therefore, would have required additional investigation at Luckeesarai and Teghra, which was not again possible. The data on market arrivals, despatches and stocks are, therefore, inadequate. We could only collect some returns from four selected dealers (arhatias) in rice at Monghyr. None of the dealers approached at Begusarai made available to us the required returns. We had to be satisfied here with whatever data could be obtained from the local officials of the Supply Department, Bihar Government. Some price data were, available with the local staff of the State Statistical Bureau. Our analysis of the markets is based only on these scanty data.

22. The thing that surprised us in the course of the investigation is the inadequacy of the market data collected, maintained and/or analysed by the concerned officials of the State Government either at the district or at the local level. We were told by the District Supply Officer at Monghyr that he did not have any statistics of market arrivals, despatches and stocks. We were informed, however, by the local staff of the State Statistical Bureau that these data were proposed to be collected only from the coming crop year. It is, indeed, unfortunate that in a State as vulnerable to food scarcity as Bihar there should be such a vacuum in the official information about markets. The explanation offered for not having these data was that the traders refused to submit the necessary returns to the Supply Inspectors. As a result, the only data that the Supply Office could give us was regarding the arrivals and stocks of foodgrains (mainly wheat and rice) on government account and their distribution to fair price shops.

23. *Arrivals in the market.*—The seasonal pattern of the sales by farmers, as discussed in Section II is more or less corroborated by the seasonal distribution of the traders' purchases of rice. Figures of these obtained from four selected trade-arhatias are given in Table B.6 along with statistics of disposals and stock. The reliability of these figures cannot be vouchsafed. Anyway, some idea of the variations can be obtained from them. It seems that the traders' purchases of rice in Monghyr increased from the first to the second quarter of 1958 and then declined sharply by about 50 per cent in the third quarter. Purchases in the fourth quarter were only nominally lower than in the third quarter. Thus the third and the fourth quarters of 1958 showed the same level of arrivals in the market. Though purchases of rice increased again in the 1st and 2nd quarters of 1959, they were still short of the figures of the corresponding periods of 1958 by nearly 30 per cent and 43 per cent respectively. And this happened even after a bumper crop.

24. This pattern corresponds, more or less, to the seasonal distribution of sales by the farmers, as shown in Table B.5. Acute shortage of supply from the producers in the last quarter of 1958, caused mainly by

the shortfall in production in 1957-58 was reflected in the lowered market purchases in the last quarter of 1958 and in the sharp rise of prices in 1957-58. The situation was relieved to some extent in the early quarters of 1959 by an excellent harvest; but the sales by farmers and purchasers by traders were at a lower level than in the corresponding period of the last year. From both sides, therefore, we get the same picture, namely the withholding of stocks of rice by the medium and large producers. Even after allowing for a reasonable margin of under-reporting and mis-reporting from both sides, we cannot but conclude that withholding of stocks of rice by producers in the first two quarters of 1959 kept the level of market arrivals to a level lower than in the corresponding period of even a scarcity year like 1958.

25. From the scanty data obtained from the Begusarai market, we can only make general remarks. The total volume of transactions in wheat by wholesalers and commission agents in the Begusarai market was 6,00,000 mds. in 1958, while up to June, 1959 it was only 2,65,000 mds. Even if it is assumed that the volume of business transactions in the next six months will be at the level of the first six months, as is unlikely, the volume of transactions in 1959 would show decrease of about 11 per cent provided the degree of concealment of facts does not change materially. Data regarding the wheat arrivals on government account (obtained from official sources) and the exports by rail in the first two quarters of 1958 and 1959 are presented below :

	Wheat		(maunds)	
	January-March		April-June.	
	1958	1959	1958	1959
Arrivals of wheat on government account	95,369	Nil	78,,258	34,204
Exports of wheat by rail	Nil	1,121	34,422	53
Balance	95,369	—1,121	33,836	34,141

It appears that the stock position on government account was better in the 1st quarter of 1958 than in the same period of 1959. The position in the second quarter (post-harvest quarter) was about the same in both the years. It should be remembered that these figures do not relate to the arrivals and supplies in the market proper but only in the government sector.

26. *Disposals and despatches of rice.*—The figures of disposals and stocks of rice among the selected traders in Monghyr (given in Table B.6) show that disposals (despatches in market terminology) by these traders

formed a much higher proportion of purchases (arrivals) in the two comparable quarters of 1958 than in 1959. In fact, in the first and the third quarters of 1958 disposals were higher than purchases and there was dissipation of stocks. Despatches also show a steady decrease as the year advanced. In the first two quarters of 1959, however, disposals (or despatches) were not at the expense of stocks. The absolute level of disposals, in the first and the second quarters of 1959 was very low, a little above one-third of that in the corresponding quarters of 1958.

27. *Stocks of rice.*—It will appear from the account of arrivals and despatches that there was a progressive decrease in stocks of rice with traders through the quarters in 1958. In the first two quarters of 1959, however, the stock position shows improvement over the 1958 levels. In fact, the stocks at the end of June, 1959 were higher than at any other time in 1958 or 1959. It is interesting to note that the traders maintained stocks through the first three quarters of 1958 at a fairly steady proportion of 60 per cent of their purchases. This was their minimum proportion. In 1959, the proportion has been the highest. On the whole, therefore, it can be said that in spite of poor market arrivals, the stock position of the traders in June-July, 1959 was much better than at any time in 1959 or 1958. Stocks of rice at this time were nearly 50 per cent higher than at the corresponding part of 1958. It is, however, difficult for us to say to what extent this stock position was comfortable for the market. Since the traders were complaining of poor arrivals and were going on building up inventories, it seems that even the relatively higher level of stocks was below the capacity of the market and that the wholesale traders were actuated by some speculative motives as is borne out by the decline in their volumes of disposal. There seems to be a tendency to build up stocks at the wholesale level both in anticipation of price rise and to create forces for such a rise.

28. *Prices.*—Details of price-statistics are given in Table B.7. In the Monghyr market the price of coarse paddy fell from a peak of Rs. 22 in October, 1958 to Rs. 13 in December, 1958 and to the lowest figure of Rs. 12 on 2nd January 1959. After that it started rising steadily and reached the figure of Rs. 18 in May, at which level it stayed all through June and July. The price of coarse rice shows the same pattern of variation in coarse paddy but with a time-lag. The peak and low prices were Rs. 32 and Rs. 19.50 respectively in 1958 and Rs. 25 and Rs. 19 respectively in 1959. The same pattern of movement was also noticed in the case of medium rice excepting of course the usual premium on its superior quality. The price of wheat (white) in the Monghyr market rose in November 1958 up to Rs. 23 and then fell to Rs. 19 in the last week of December. It then started rising sharply and reached Rs. 32 in the middle of March. With the arrival of the new crop, the price started falling and came down to Rs. 19 in June at which level it stayed through July. The price of red wheat moved parallel to that of white wheat all through this period, maintaining a margin of Re. 0.50 to Re. 1. The movement of prices of both white and red wheat in the Begusarai market was more or less the same as in Monghyr with the exception that the minimum prices of both the varieties of wheat for 1958 and 1959 were lower in Begusarai than in Monghyr.

29. Weekly prices during the period, May to July, have been collected by us for a detailed analysis. These are presented in Table B.8. From

these figures, it appears that the maximum and minimum prices of coarse paddy, coarse rice, medium rice, wheat (white) and wheat (red) have been generally lower in May—July, 1959 than in the corresponding period of 1958. Again while there was a rising tendency of the prices of coarse paddy, coarse rice and medium rice during June-July of 1958, the tendency of these prices during June-July of 1959 have been towards a fall. Similarly, in the case of the prices of wheat (white) and wheat (red) the tendency of stability noticed in June-July 1958, has been converted into one of a decline in June-July, 1959. More or less similar tendencies of weekly prices in Begusarai also were observed in June-July of 1958 and 1959.

30. The major conclusions that can be drawn from the price data are fairly obvious. In the first place, there has been some decline of prices in the current year from the high levels of 1958. But the fall has been by no means commensurate with the rise in production. Secondly, the prices declined sharply after harvest which showed the usual post-harvest phenomenon and the impact of the bumper crops. But within three months after the harvest, prices tended to rise sharply again, so much so that the prices in mid-1959 were at a fairly high level, not much lower than in the last year. It should be remembered in this connection that the price of coarse rice ruled all through the year much higher than the controlled rate of Rs. 16 (withdrawn in June). Lastly, the withholding of stocks by the producers and hoarding by the millers are the factors responsible for keeping prices at the high level.

Changes in the structure and functioning of the markets and the role of the government

31. With the limited data that could be collected, it is not possible for us to give more than a general idea of the changes that have taken place in the foodgrains markets of Bihar in 1959.

32. *Number of market functionaries.*—There was practically no change in the number of wholesalers, *arhatias* or *goladars*, millers and commission agents in the Monghyr and Begusarai markets between 1958 and 1959.

33. *Operational area of the markets.*—No change seems also to have taken place in the inflow area of the two markets. It must be repeated here that Monghyr and to some extent Begusarai can be described as central markets to which are linked a number of *mandis*. The major portion of the business of these central markets are with the *mandis*. Monghyr often acts as a clearing house for market despatches sending supplies from subsidiary markets like Khagaria or Luckeesarai to distant places like Dhanbad. It is, therefore, difficult to accurately assess the area of operation of a market like Monghyr. Besides, the traders here have connections with their counterparts in distant markets. It was reported that Orissa rice and Punjab wheat came to the Monghyr market in 1958 and 1959 through devious channels. In short, no estimate can be made about changes in the area from which these markets drew supplies in 1959. The supply area of the *mandis*, however, did not change very much.

34. *Market functions.*—The main functions of the Monghyr and to some extent the Begusarai markets are (a) distribution among other markets, (b) distribution among wholesalers, (c) central assembly and storage, (d)

distribution through retailers to the consumers. The functions of the *mandis* are largely assembling of the produce from the village, storage and despatch. These functions of the grain markets in Bihar become highly complex because of their traditional links with the markets in the States both to the West and to the East. The transactions and cross-transactions within the Bihar markets as well as with the out-of-State markets have assumed a high degree of complexity as a result of the government controls and the fear of State trading. The business community is highly suspicious of outsiders and very surreptitious in their dealings. They complain that their business has been badly affected by bans on inter-State movements. In spite of these, however, they continue to get supplies of wheat from West India (Punjab) and rice from the Madhya Pradesh and Orissa. It is likely that the volume of supplies thus obtained has not changed considerably in the current year.

35. The good harvests of 1958-59 have increased the overall flow of supplies to the central markets. Thus movement of supplies of maize, some rice and cash-crops like chillies from North Bihar to the South has increased through the Begusarai and Monghyr markets. These along with the supplies of wheat and pulses from the South Bihar region have tended more to the industrial areas of Chotanagpur. It may be mentioned here that there are four important market and shipment centres between North and South Bihar, Arrah-Buxar, Patna-Mokameh, Monghyr, Sultanganj-Bhagalpur-Sahibganj. Supplies of rice, wheat and gram usually flow from the south to the north in exchange for maize and chilli and gur through all these markets except Monghyr where the bulk of the supplies come from the north in the form of maize, wheat and chillies.

36. *Credit*.—Even though the traders in the two markets covered by us complained about inadequacy of credit and the stringency of the restrictions imposed on bank advances by the Reserve Bank, there does not seem to have been enough of business in the open market to justify such charges. This gives us reason to believe that the market arrivals and business in 1959 have increased considerably so much so that there has been some difficulty in obtaining advances by the traders particularly from Banks. From the sale patterns of the farmers, it appears that there has been a heavier volume of business in 1958-59 in maize and perhaps also in wheat. Besides, there are underground supplies from outside the State, which cannot be recorded. What is most important is the tendency of the traders to build up their stocks. Shortage of credit may, therefore, be a reality in the market.

37. Trade credit and advances to the producers may also have increased to some extent, because the traders have tried to secure more supplies from the village level through the help of these producers. In Bihar as in West Bengal, there is an increasing tendency on the part of the large producers to engage in trading activities. What has happened so far is largely the increase in their activities in their direction of purchasing the supplies of the small producers and holding them at the village.

38. *Government controls and market organization*.—Government controls on the foodgrains prices and markets have been very few in Bihar. On the whole, the market has remained free in respect of prices (except for rice in the first half of 1959) and internal movements. Even in respect of the control price of rice there was no enforcement and the prices ruling in

the market in 1959 were always above the statutory maximum. There was a levy on the purchases of rice by the dealers and millers. But the levy was not also strictly enforced. Ban on exports from the State did not need much enforcement except in the border areas of Bihar and the U.P. The relatively higher prices in Bihar discouraged exports in any case. But they encouraged imports which came on a large scale through underground private channels. Smuggling from Orissa, the western areas (West U.P. and Punjab), Madhya Pradesh and even West Bengal which was rampant in 1958 seems to have continued even in 1959. The Government of Bihar tried only to influence market supplies by a retail distribution programme through fair price shops. In 1958, these supplies did not have any appreciable effect on the market. In July 1959, however, the traders were apprehensive of its likely effect on wheat prices in the lean months, particularly because the level of purchases of foodgrains in the rural areas seems for obvious reasons to be lower this year.

Opinions and views of the producers and traders

39. Opinions and views regarding the pattern of marketing, relationship with dealers, government measures of control and price-expectations were ascertained from the selected farmers to obtain an idea of their behaviour and its motivations. The results of this survey are presented in Table B.9.

40. *Relationship of producers with dealers.*—It is evident from Table B.8 that a large majority of the producers were selling to the same dealer in Monghyr (91.2%). The position was the opposite in Begusarai where 90.7 per cent of the farmers were not tied to any particular dealer. It seems that there is a wide variation in the nature of market-relationship between the producers and the dealers among the regions of Bihar. The fixity of relationship between dealers and producers found in the Monghyr area seems to be largely traditional. Credit ties with the dealers in Monghyr was not reported by any farmer, but must be there with the village traders, though not brought out by our questions. In fact, in the Begusarai area 16.7 per cent of the producers reported having received advances from the traders. Anyway, there was no difference among the farmers in different size-groups in this pattern of behaviour in the respective areas.

41. It should be noted here that the proportion of producers selling directly to the dealers is very small, only 16.7 per cent, in the Begusarai area. Most (93.5 per cent) of the small farmers (below 5 acres) sell directly to others, mainly village traders and commission agents. The proportion selling directly to dealers rises steadily with the increase in the farm size until 100 per cent of the dealers in the market. This pattern must be stronger in the Monghyr area where villagers sell mainly to traders in the villages or at smaller markets. The majority of the producers, therefore, have no link with the markets and are connected only with the middlemen or the village traders who often advance loans to them against future sales. This may explain the reporting of no advances by the villagers in the Monghyr area.

42. Desire for stock holding seems very common among the cultivators. All the farmers in the Monghyr area and 87.24 per cent of those in the Begusarai sample reported that they wanted to hold stocks in anticipation of price rise. Only a small proportion wanted to hold stocks without regard for price, in other words, as an investment and an insurance. In short, a desire for withholding stocks and a consciousness of prices in

the market have permeated among all classes of farmers, even though not all of them can hold or are holding stocks for a long enough period. Besides, a very small proportion of them reported that they were actually being helped through advances by the dealers to hold stocks. In short, if loans had been available to the producers of all classes, there would have been considerable delaying of sales in the year.

43. *Reaction to Government control measures.*—All of the farmers (100 per cent) in the Monghyr area and 81.1 per cent in the Begusarai villages showed an extremely unfavourable reaction to control measures in respect of foodgrains. Even in the Begusarai area, the remaining 18.9 per cent of the producers were indifferent towards controls and not one favourably disposed at all. The same proportion of the farmers also considered the statutory prices very low, unfair and responsible for a check on the flow of supplies into the markets. The reasons for considering the prices unfair were the high costs of labour and other inputs. Since fertilizers are not used by the farmers in this area, their mention of its price was irrelevant. It seems that the uncertainties of yield in Bihar have made the farmers extremely price-conscious.

44. *Attitude towards Government control.*—The attitude of the farmers towards price control, procurement and other regulatory measures by the government displayed the same extent of opposition. Either all or over four-fifths of the farmers did not want the Government to impose controls over farm prices or to procure foodgrains from the market. This attitude is shared almost equally by the farmers in all size-groups.

45. *Price expectations.*—The prices of paddy and wheat, the farmers interviewed by us mentioned as fair and reasonable showed a higher degree of unanimity among the producers in Monghyr than in Begusarai. Nearly three-fourths (72.2 per cent) of the producers around Monghyr expressed willingness to sell paddy at the price of Rs. 15 per maund while the others wanted a price between Rs. 12 and Rs. 14. The Begusarai farmers, however, had price expectations at a lower level. Nearly 60 per cent of them thought that they would be satisfied with a price between Rs. 10 and Rs. 12, while the expectation of others ranged from Rs. 9 to Rs. 14. As regards wheat, it was the Monghyr farmers who displayed expectations of lower levels of prices. Wheat prices considered satisfactory by the Begusarai farmers ranged from Rs. 15 to Rs. 22. About half of them expressed their expectation within the range Rs. 18—20. As for the Monghyr farmers two-thirds of those interviewed wanted a price between Rs. 18 and Rs. 20 for wheat, the rest expressing satisfaction within the range of Rs. 15 and Rs. 18. On the whole, therefore, the price expectation for wheat by the majority of the farmers ranges between Rs. 18 and Rs. 20.

46. *Opinions and views of the traders.*—The general view of the traders was that the volume of transactions had diminished as a result of the lack of consumers' demand. The distribution of wheat at the fair price shops at low prices had hampered the trade of the retailers, who, according to the wholesalers, were not purchasing even 10 per cent of wheat they used to previously. Wholesalers were also beset with problems of credit, as the banks had stopped giving loans. The complex nature of the Sales tax and the Income tax were also held by them to be a deterrent to transactions. They were also against the regional system of controls and the ban on inter-State movements. They held that the flow of supplies in the market had

decreased as a result of these restrictions. The big cultivators were also held responsible for reducing market supplies. The loose administration of the Supply and Price Control Department was, according to them, largely responsible for precipitating the present state of rising prices. The traders were all very vocal in their opposition to State trading. In short, they blamed everybody but themselves for the present state of affairs.

47. *Views of Government officials.*—The local officials reported very little change in the marketing channels. They expressed ignorance about the expected proportion of foodgrain supplies to come to the market in the remaining part of 1959. They admitted openly that the government control measures had not been effective at all. Practically, all the control orders, according to them, remained on paper and were not enforced by the officials concerned for some reason or other. They held the big cultivators and the traders responsible for withholding stock in expectation of higher prices, and thus creating an artificial scarcity in the market.

General summary and conclusions

48. The variety of foodgrains crops grown in Bihar and the diverse nature of the foodgrains market created enormous difficulties in the way of our survey, particularly because the time at our disposal was very short. The aspects of our investigations that suffered on this account relate largely to the behaviour of the market. Consequently, we were forced to generalize in many cases from inadequate data, as has been pointed out in appropriate places. These limitations need a restatement here before we attempt a general summary of the important findings of our survey.

49. The economy of agricultural production in Bihar has been characterized over the last few years by a succession of crop failures caused by droughts and floods. The year 1957-58 witnessed one of the worst kharif seasons in recent years. The production of the kharif crops like rice and maize suffered tremendously and created a very critical food situation in the State throughout 1957-58, in spite of a fairly satisfactory level of production of rabi crops. Foodgrains production in the year 1958-59 recovered phenomenally from the low levels of 1957-58, thanks to an excellent harvest of paddy and wheat. Production of rice and wheat in 1958-59 showed increases over the levels of 1957-58 by 50—80 per cent. The output of maize which is an important crop particularly in North Bihar, however, did not register as much of improvement as these two crops. In the areas surveyed by us rice and wheat have shown increases of the order mentioned above except in the Begusarai area where maize production increased more than in the rest of the State.

50. With rise in the foodgrains production the farmers' receipts of paddy, wheat and maize registered almost corresponding increases in 1958-59, the medium and the large farmers showing proportionately larger increases in receipts than the smaller ones. Because of the fact that the harvest years of these crops are not the same it is not possible to present a uniform picture of the disposals of these receipts in the current year. The estimated consumption of home production (domestic disappearance) in 1958-59 is expected to remain at the same level as in 1957-58 in the case of rice, and increase by 5 to 7 per cent over the 1957-58 level in the case of wheat and maize. On the whole, however, estimated consumption out of home production in 1958-59 does not show a rise in proportion to the increase in production and receipts. This stability of home consumption

plus the high levels of production led to phenomenal increases in the stocks of paddy, wheat and maize with the farmers at the end of July, 1959. Our figures show that the proportions of receipts of paddy, wheat and maize held in stock in July, 1959 by the farmers in the Monghyr area were 37.3, 28.7 and 27.6 per cent respectively, after allowing for home consumption in the remaining part of the year.

51. The pattern of sales by the farmers changed considerably in the year 1958-59. On the whole, the farmers have increased their sales of maize in the current year and kept down those of rice and wheat, thus substituting maize for rice and wheat in their marketing patterns. While there is possibility of the total sale of wheat in 1958-59 (April-March) exceeding the level of 1957-58, it is doubtful if the total sale of paddy in 1958-59 (November-October) would exceed even the very low level of the previous year. The reason for this belief is that stocks of rice with the farmers were seriously depleted as a result of the poor harvests of at least two successive years. There is, therefore, a natural tendency among the farmers to build up inventories in the current year to the older levels. Unless the prospect for the coming maize crop changes for the worse, as seems unlikely now, there is very little chance that much of the stocks of paddy lying with the cultivators will come to the market by October.

52. The seasonal pattern of sales of the different crops shows that the sales of paddy by the farmers in the period, January to March, 1959 were at a higher level than in the corresponding period of the last year, but went down tremendously in the next quarter as a result of withholding of stocks by the medium and the large farmers. The sales of wheat in the first quarter of the current crop year, that is between April and June, 1959 also were higher than in the corresponding period of the last year. Sales in July, however, almost came to a stop. On the whole, the farmers have sold a lower proportion of their receipts of paddy and wheat up to the middle of July, 1959 than in the corresponding period of the last year. It is only in the case of maize, however, that sales in the current year has been all through at a higher level than in the last year particularly because of heavy marketings by the large farmers. In general, the rate of sale of foodgrains was higher in the period, January to March, 1959 than in the following quarter of this year. The opposite was the case in 1958. The general conclusion is that there has been withholding of stocks of paddy and wheat by the medium and the large farmers and an increase in the rate of sale of maize during the current year.

53. One of the findings that needs mentioning here is the inadequacy of the market data collected, maintained or analysed by the officials of the State Government either at the district or at the local level. Data on market arrivals, despatches and stocks are not collected by the officials either of the Supply Department or of the Statistical Bureau in any systematic manner. While this is unfortunate both for our study as well as for the functioning of the State Government in its Food and Supply Departments, there seems to be no particular urgency to fill up this vacuum in official information about markets.

54. From the scanty data obtained from a few selected traders we could only make a general observation regarding arrivals, despatches and stocks in the foodgrains markets. The evidence obtained by us suggests that the level of market arrivals in the first two quarters of 1959, that is, between January and June was lower by at least 30 per cent than in the

corresponding period of 1958. Supplies of wheat on Government account (for distribution through fair price shops) were, however, more or less at the same level as in the last year, if not a little higher. Disposals or despatches by the traders have been at a much higher level in proportion to purchases all through 1959 than in 1958. The net result has been that the stock position has shown a gradual improvement in the current year over the levels of 1958. It can be said that in spite of poor market arrivals the stock position of the traders in July, 1959 was much better than at any time in 1958 or 1959. The traders hold the poor demand in the market from the consumers responsible for the accumulation of their stocks. There must, however, be a speculative element in the activities of the traders in building up their stocks on the eve of a lean season.

55. The behaviour of prices in the market shows that there has been some decline in the current year from the high levels of 1958. But the fall has by no means been commensurate with the increase in production, the effect of which was felt only for two to three months after the harvest of each crop. Prices of all the foodgrains started rising sharply from May onwards in 1959 and by the end of July have steadied themselves at a level almost equal to that in the corresponding part of the last year. The prices ruling in the market were always higher than the statutory maximum price in the case of rice.

56. The functioning of the grain markets does not appear to have changed very much in 1959. The major developments in the recent years have been largely in the field of inter-State trade and the entry of the producers in the field of marketing. Bihar in the past used to draw supplies of cereals from markets in West U.P., Punjab, Orissa, Madhya Pradesh and even West Bengal. The imposition of bans on inter-State movement of foodgrains on private account has restricted the activities of the traders in the Bihar markets. They openly complained about these, for they had regular connections with these upcountry markets. In fact, there is evidence to suggest that in spite of these restrictions a considerable volume of supplies still come to the Bihar markets from these States through smuggling routes. This happened on a large-scale in 1958 and 1959. The traders also complained of shortage of funds in the market as a result of restrictions on bank credit and advances, which, however, do not support their other complaint about the low volume of business and market transactions in the current year. As regards the combination of marketing with production by the large farmers it seems that there has been in many cases a link established between the traders and the big producers for the purpose of securing a command over foodgrains at the village level.

57. There were very few controls imposed by the Government of Bihar in 1958 or 1959. None of them have been enforced either strictly or effectively. The only programme that the Government of Bihar has tried to carry through is the distribution of wheat through fair price shops. This, however, did not affect market prices or supplies in 1958. It may have some effect in the coming months (August to October), according to the views of the traders.

58. The opinions and views of the producers seem to show that a fair section of them received advances from the traders. The majority of the farmers sold their produce to the village traders and commission agents and not to the dealers in the market directly. There also seems to be a very

strong desire for stock-holding by all sections of the farmers in anticipation of rise in prices. Only a small section of the producers reported that they were actually helped by the dealers through loans to hold stocks in the current year.

59. An overwhelming majority—in fact, almost all—of the farmers were very strongly against government controls either on producer prices or on purchase in the market (procurement). They also considered that the statutory prices fixed by the government were grossly unfair to the cultivators, inasmuch as these were far below their price expectations or parity with the prices of other goods. The cultivators' expectations about reasonable prices of paddy and wheat varied among the zones. The majority of them considered a price within the range Rs. 18 to Rs. 20 as reasonable and fair for wheat. As for rice the majority of the farmers in the Begusarai area indicated the price range of Rs. 10 to Rs. 12, as against a price of Rs. 15 mentioned by the farmers in the Monghyr zone.

60. On the whole there is evidence to suggest that there was stock-holding by the medium and large farmers as well as hoarding by the traders. The price situation in July seemed steady and offered very little cause for immediate alarm, in spite of complains by producers about low volume of supplies into the market from the village level. Even then it must be remembered that the market prices of rice and wheat in Bihar this year have been fairly high and do not show signs of any decrease any further. A condition of scarcity in the market was created within three months of harvest of each crop, so much so that prices jumped up again almost to the level of the last year. The prices are likely to increase some more in the coming months. The level of arrivals and supplies of paddy and maize in the market is not likely to improve until October and November. As for wheat there is likely to be a spurt in market arrivals from October unless the usual seasonal pattern changes completely in the current year. In a multi-crop economy like Bihar's this will depend largely on the relative levels of production of maize and paddy and the prospect for the next rabi crop.

SECTION 5

GENERAL CONCLUSIONS

1. Since a summary of the major findings of our survey has been appended at the end of each Section, there is no need to go over this ground again. To conclude this report, therefore, what we shall present in this Section is an analysis of the broader developments in the field of marketing of foodgrains in Bihar, Orissa and West Bengal. These developments will be discussed briefly against the background of the present situation and an assessment of the limitations of our survey.

2. It needs to be pointed out at the outset, even at the risk of repetition, that the inadequacy of market information at the official level in some of the States is almost alarming. The machinery for obtaining market data, that existed up to 1953 was dismantled in West Bengal, Bihar and Orissa promptly with the end of the era of controls. An unbridgeable gap thus developed. But even now not much of effort is being made to build up market intelligence. We found that the returns submitted by the dealers

and millers were not fully analysed in West Bengal and Orissa either at the local or at the district level. Thus we failed to find tabulated data regarding despatches and stocks relating to the markets investigated into. In Bihar there were no data at all. Besides, even in Orissa and West Bengal the nature of the market data collected by the Government staff depends on the needs of the particular programme that the State had in hand. Thus with the lifting of controls on 24th June, 1959 the staff of the Food and Civil Supplies Department of the West Bengal Government stopped collecting from the rice mills data about their production and stocks. It is time that the State Governments realise the importance of collecting and analysing market data on a continuous basis.

3. Another point that needs to be tackled here is the extent to which the results of our survey are representative of the conditions in each State as a whole. It may be mentioned here that in selecting markets and areas for investigation we considered only those parts of each State where there are surpluses of foodgrains. Consequently, our findings about the behaviour of the producers, dealers and the market in general will not hold for the areas in each State, which are more of a deficit type. But even among the surplus areas and markets therein, there are significant differences as have been noticed between Burdwan (Saktigarh, to be more exact) and Bolpur or between Begusarai and Monghyr. The reasons for these differences have been explained as far as possible. On the whole, it may be said that the conditions in the other rice surplus areas of West Bengal will fall somewhere in between those of Bolpur and Burdwan. As for Orissa, the Bhadrak area is representative of Balasore and to a certain extent of the coastal parts of the districts of Cuttack and Puri, but not of the other parts of Orissa. The generality of the conditions in the Monghyr and the Begusarai areas are distinctly limited to the particular sub-regions of which these areas form a part and not of Bihar as a whole.

4. The major findings of our survey point to a few significant developments that are of a long-term nature. In the first place, the price-consciousness of the farmers has increased tremendously in the recent years. This is reflected in their desire as well as performance in respect of delaying of sales in the year and withholding of stocks from the market. This is also the basic reason for their overwhelming dislike for Government controls on producers' prices. All these were found to be very important forces at work in each of the States. It is only the medium and the large farmers, however, who have so far been able to exploit the situation in their favour, making the small farmers in this process more disgruntled. There has thus developed in the rural areas a climate unfavourable to Government procurement, price control and, in general, State trading. Unless steps are taken to improve this climate and win the confidence of the farmers, the situation may get out of hand in future.

5. In areas like Burdwan (West Bengal) where farmers generally use fertilizers or buy seeds from the market or hire a lot of labour against cash wages, they perforce think in terms of the price ratio between their purchases and sales and are not only price conscious but also price motivated and price governed in their production decisions. Any attempt to lower prices of foodgrains through statutory regulation without similar controls over the prices of these external inputs is bound to evoke sharp opposition in such areas. This may take the form of political agitation as in West Bengal and is likely to increase in future. Imposition of any control in

such areas should be followed by adequate publicity and propaganda among the farmers with a view to enlisting their cooperation and winning their confidence.

6. It should be mentioned in this connection that the confidence of the farmers in the Government can be restored to some extent if improvements are effected in two directions, distribution of chemical fertilizers and price of oil-cakes. Complaints about black-marketing, adulteration and other mal-practices in chemical fertilizers—ammonia, bonemeal and mixed fertilizers—have been by now almost taken for granted. It is time some drastic steps are taken to do away with these. Secondly, the price of oil-cakes is the most common grumble of the farmers, and here their statistics are correct. Some control over the prices and distribution of oil-cakes would go a longway to satisfy the farmers.

7. Our study shows that the behaviour of sales of foodgrains by the farmers no longer follows the old simple rules. Increase in production of foodgrains does not necessarily lead to proportionate or even absolute increases in marketing by the farmers. This has happened this year in Bihar. It seems likely that if production increase comes off as a jump after a year or two of bad crops, there will be an increase in the tendency to build up inventories in the pipe lines specially at the village level. Even high prices will not be able to disgorge this stock. The result will be an increase in sales by farmers much less than in proportion to the rise in production. In a situation of a sharp decline in production the decrease in sales will be higher than in proportion to the fall in production. The arithmetic seems simple. Fluctuations in sales or stocks will be relatively greater than the proportion of fall in production and relatively smaller in the case of rise. The significant thing is not only this relatively greater rise or fall but also in distribution over the year. The sales in the first quarter after harvest are likely to be least affected. It is only in the second and the third quarter that the reduction will be most pronounced and ominous. The position in the fourth quarter will be influenced largely by the prospect for the next crop, and in any case will not cause much concern.

8. The distribution of sales discussed above is largely the result of the activities of the medium and large farmers whose marketable surplus plays a vital role in changing situations. The evidence points to the tendency that sales later in the season will progressively increase in importance and be the determining factor for the prices and the weather in the market. This has an undeniable implication for the future control policy of the Government. The success and the acceptance of any control policy or programme will be largely determined by its effectiveness during these crucial months of the year.

9. Our study also showed that the foodgrains markets in Bihar, West Bengal and to some extent Orissa are characterized by a high degree of uncertainty. The dealers and traders in the market are feeling insecure and uncertain in view of the announcement of the Government policy in favour of State trading. They are unanimous in their opposition to it and are trying progressively to make the situation difficult for the Government, often with the support of the large farmers.

10. The market uncertainty has been increased by the behaviour of the medium and large farmers in withholding stocks from the market and the delaying of sales in the year. This has afforded an opportunity to the

traders to engage in speculative holding of stocks and bidding for higher prices to the producers. A very interesting situation has thus developed. The millers, traders and dealers are blaming the producers for scarcity in the market, while many of the producers are blaming the dealers and millers. There has yet been no open conflict. Nor is there likely to be any conflict, because many of the large producers are well connected with the market agents. The ominous sign is the increasing tendency of the large producers to engage in the buying of the saleable foodgrains of the smaller producers in the villages. If along with this they also undertake purchase, sale and milling operations in the market, as has happened to some extent in the Burdwan area (West Bengal), they will yield a strong monopolistic power. This sort of concentration of economic power is fraught with great dangers.

11. Lest there be a misunderstanding about the role of the large and medium producers, it should be added here that while the physical supply in the market is pumped initially by them, the nature of the movement through the pipe line and the prices that govern it are subject to manipulation by the market functionaries. This has been a known factor of disturbance and has determined our administrative policies and programmes in the past. The behaviour of the producers is, noneever, a new force hitherto largely neglected, and threatens to become even more disturbing in future.



TABLE W.3—Acreage and Production of Paddy in Bolpur and Burdwan Villages

Size Group of holdings (acres)	Percentage of holding under paddy		acreage		Yield of Paddy per acre						Percentage difference in production in 1958-1959 over 1957-58	
	1957-58		1958-59		1957-58		1958-59					
	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur
Upto 2.50 .	100.00	100.00	100.00	100.00	32.13	20.73	27.84	15.69	—13.34	—26.6		
2.50—5.00 .	100.00	98.99	100.00	99.00	22.97	21.17	20.82	16.27	— 9.25	—22.2		
5.00—10.00 .	100.00	98.81	100.00	95.35	29.02	20.14	26.15	15.01	—9.90	—27.4		
10.00—20.00 .	100.00	97.77	100.00	94.57	32.90	25.97	29.10	18.76	—11.57	—29.9		
20.00 & above	100.00	85.20	100.00	77.72	32.38	22.60	29.21	15.86	—10.60	—35.3		
TOTAL (WEIGHTED)	100.00	96.90	100.00	94.10	29.16	21.99	26.10	16.26	—10.49	—27.7		

TABLE W. 4—Percentage Composition of Receipts and Disposals of Paddy by the Selected Farmers in Bolpur and Burdwan, 1957-58 and 1958-59

Size Group (acres)	% of Total Receipts																
	Farm Production				Share Rent		Other		Receipts		Kind Payments						
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Upto—2.50 . . .	100.0	100.0	100.0	100.0	..	..	..	..	..	..	..	..	3.1	..	0.7	..
2.50—5.00 . . .	100.0	92.2	100.0	92.4	..	3.3	..	3.5	..	4.5	..	4.1	15.9	4.2	13.9	4.4	
5.00—10.00 . . .	98.4	95.4	98.6	100.0	1.6	4.6	1.4	..	..	..	..	..	17.7	7.3	17.1	8.4
10.00—20.00 . . .	96.4	84.8	95.4	87.1	3.6	4.0	4.3	4.2	..	11.2	0.3	8.7	14.9	8.7	13.0	10.1	
Above—20.00 . . .	94.6	91.0	93.8	92.2	4.5	8.2	5.1	6.8	0.9	0.8	1.1	1.0	16.5	6.0	15.2	6.7	
WEIGHTED	95.3	92.2	97.7	94.5	1.9	4.3	2.2	2.6	0.1	3.5	0.2	2.9	15.3	6.1	13.8	6.9	

TABLE W. 4—*contd.*

Size Group (acres)	% of Total Receipts											
	Sales			Consumption			Balance					
	1958	1959		1958	1959		1958	1959		1958	1959	
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Bolpur Burdwan Bolpur Burdwan Bolpur Burdwan Bolpur Burdwan												
Upto—2.50	10.9	•	6.8	•	86.0	100.0	92.6	100.0	•	•	•	•
2.50—5.00	26.1	34.6	24.6	29.0	55.3	61.2	59.7	65.6	2.7	•	•	•
5.00—10.00	33.7	55.7	29.1	50.0	39.1	35.1	48.4	39.2	9.5	1.9	5.4	2.4
10.00—20.00	42.2	68.4	38.4	60.0	28.2	23.0	38.5	27.0	14.7	•	10.1	2.9
Above—20.00	63.9	6.3	34.8	60.9	19.3	24.5	29.8	27.8	24.9	5.6	20.2	4.6
WEIGHTED	32.5	49.8	29.3	44.4	41.9	42.7	50.2	46.6	10.3	2.0	6.7	2.1

TABLE W. 5.—Percent Increase or Decrease in 1958-59 over 1957-58 in Receipts, Sales, Kind Payments, Consumption out of Home Production, and Stocks of Paddy : Bolpur and Burdwan.

Size Group (acres)	Actual sales during the 1st 3 quarters of 1958-59 to total in 1957-58												Balance in stock	
	Receipt (decrease)		Kind Payment (decrease)		Sales for the whole year (decrease)		Consumption of home production		Consumption out of home production		Bolpur	Burdwan		
	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan	Bolpur	Burdwan				
Upto— 2.50	.	.	22.9	13.3	83.3	..	52.4	..	47.6	..	—17.0	—13.3	..	..
2.50— 5.00	.	.	24.8	5.2	34.5	..	23.9	20.5	78.9	80.0	—18.8	+3.1	—100.0	—100.0
5.00—10.00	.	.	22.3	12.7●	28.1	1.1	35.5	22.5	67.4	76.1	—7.4	—3.5	—57.7	+6.4
10.00—20.00	.	.	29.6	14.1	38.2	0	35.8	24.7	67.1	71.0	—4.0	+1.3	—51.8	+100.0
Above—20.00	.	.	34.8	10.6	39.9	0	42.2	14.9	81.9	74.3	+0.6	+1.2	—47.2	—25.7
WEIGHTED	.	.	27.2	11.0	38.0	0.4	35.2	21.4	70.2	75.6	—9.1	—1.2	—65.4	—3.5

TABLE W.6—Quarterly Distribution of Sales of Paddy by selected Farmers in Bolpur and Burdwan Areas, 1957-58 and 1958-59—contd.
(Year ; November-October)

Size Group (acres)	Pattern of Sales (% distribution)—contd.									
	2nd Quarter contd.		3rd Quarter		4th Quarter					
	Burdwan		Bolpur		Burdwan		Bolpur		Burdwan	
(1)	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Upto— 2.50	..	..	..	..	..	..	..	..	..	..
2.50— 5.00	9.8	4.0	7.3	6.7	..	7.7	3.6	..	..	..
5.00—10.00	51.8	67.1	23.4	13.6	10.1	..	5.8	..	3.0	4.8
10.00—20.00	23.4	26.5	31.8	32.8	47.0	37.2	26.8	23.4	14.1	19.0
Above—20.00	17.2	22.1	12.8	31.3	41.2	28.0	49.7	28.7	30.6	39.4
WEIGHTED	29.6	35.3	18.0	17.2	20.6	14.6	15.2	8.8	8.8	12.0

TABLE W.7—Distribution of and Changes in Monthly Arrivals of Paddy to the Bolpur and the Saktigarh Markets, 1957—59

Months	Distribution (%) of arrivals in 1957-58					Distribution % of arrivals upto July, 1958-59		Arrivals in 1958-59 as % of arrivals in corresponding month of 1957-1958	
	Saktigarh		Bolpur			Saktigarh Bolpur		Saktigarh	Bolpur
	% of total upto July	% of annual total	% of total up to July	% of annual total		% of total up to July	% of annual total		
November	7.8	7.4	11.9	10.3		6.9	11.3	-50.4	-29.3
December	4.9	4.7	12.8	11.2		7.7	11.4	-12.4	-34.2
January	11.3	10.6	16.8	14.7		17.2	22.0	-14.4	-3.2
	24.0	22.7	41.5	36.2		31.8	44.7		
February	23.1	21.8	16.7	14.6		16.2	10.9	-60.6	-51.6
March	16.1	15.2	17.2	15.1		17.7	13.0	-48.3	-43.6
April	9.3	8.8	11.3	9.8		10.0	10.2	-39.6	-32.6
	48.5	45.8	45.2	39.5		43.9	34.1		
May	16.1	15.2	7.5	6.5		9.0	7.4	-68.5	-26.4
June	10.0	9.4	4.1	3.6		8.4	8.2	-53.0	+7.5
July	1.4	1.3	1.7	1.5		6.9	5.6	+168.2	+138.0
	27.5	25.9	13.3	11.6		24.3	21.2		
August									
September		1.4		7.0					
October		2.0		4.7					
		2.2		7.0					
		5.6		12.7					
TOTAL	100	100	100	100		100	100	-44.06	-31.00

TABLE W.8—*Procurement of Paddy by the State Government from Bolpur and Saktigarh between February and June 1959 in relation to corresponding months of 1958.*

Percentage distribution of monthly procurement figures between February to June of 1958 and 1959								
Months		1958		1959		% of increase or decrease in 1959 over '58		
		Bolpur	Saktigarh	Bolpur	Saktigarh			
						Bolpur	Saktigarh	
February	.	.	29.8	23.41	35.2	38.01	—23.9	—50.8
March	.	.	27.9	27.01	22.5	27.48	—47.9	—69.2
April	.	.	21.8	21.89	14.4	19.00	—57.5	—73.8
May	.	.	12.0	16.66	17.7	10.63	—46.1	—80.7
June	.	.	8.5	11.03	10.2	4.88	—22.0	—86.6
TOTAL		.	100.0	100.00	100.0	100.00	—35.5	—69.7

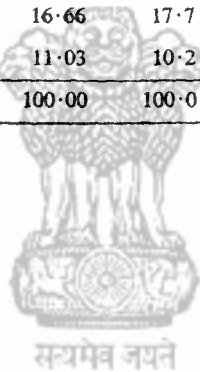


TABLE W.9—Exports of Rice by Rail from Bolpur, 1957-59

Months	(Exports in maunds)					
	1957	% distribution	1958	% distribution	1959	% distribution
						% difference (+ or -) in 1959 over 1957 1958
January	89,584	19.2	40,067	6.7	71,314	21.7 -20.4 +79.0
February	82,076	17.5	1,02,754	17.3	53,800	16.4 -34.5 -47.6
March	66,683	14.3	1,12,693	19.0	50,800	15.5 -23.8 -54.9
April	63,993	13.7	1,10,853	18.6	42,777	13.1 -33.2 -61.4
May	57,770	12.3	86,661	14.6	27,800	8.5 -51.9 -68.0
June	13,990	3.0	64,793	10.9	29,910	9.2 +113.8 -53.8
July	93,699	20.0	76,833	12.9	51,279	15.6 -45.3 -33.3
<i>Sub-Total</i>	4,67,795	100.0	5,94,654	100.0	3,27,680	100.0 -30.0 -44.9
August	47,391		11,688			
September	43,354		62,075			
October	15,856		55,713			
November	93,965		47,519			
December	16,416		48,610			
TOTAL	6,84,777		8,20,259			

TABLE W. 10—*Relative Position of Despatches by, and Stocks of Paddy with Selected Dealers in Saktigarh Market, Nov.-July, 1958 & 1959**

Months	Stock at the beginning of month			Despatches as per- cent of supply (arrivals & stock) in each month	
			% change (+ or —) in 1958-59 over 1957-58	1957-58	1958-59
	1957-58 (mds.)	1958-59 (mds.)			
November	24.11	67.11	+178.3	96.30	52.30
December	174.11	245.98	+41.3	53.37	93.71
January	390.48	164.22	—57.9	64.98	82.00
February	1,889.85	1,062.24	—43.8	71.59	46.40
March	3,565.35	1,647.75	—53.8	57.54	63.80
April	4,598.35	2,010.35	—56.3	61.41	70.41
May	3,840.48	1,433.08	—62.7	48.40	49.00
June	6,679.85	2,115.20	—68.4	54.48	40.15
July	4,875.74	2,135.94	—56.2	51.29	81.35

*Based on returns obtained from 6 cooperating dealers.

TABLE W.11—Average Price of Medium Quality Paddy and Wheat in Bolpur and Burdwan, by Month, 1957-58 and 1958-59

Months	Average Price in Rupees per maund											
	1958-1959 to corresponding prices in 1957-58											
	1957-58						1958-59					
	Bolpur		Burdwan		Bolpur		Burdwan		Bolpur		Burdwan	
	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice
November	N.A.	N.A.	100.0	100.0	N.A.	N.A.	11.00	19.00	N.A.	N.A.	11.00	19.00
December	N.A.	N.A.	88.9	93.0	N.A.	N.A.	13.50	21.50	N.A.	N.A.	12.00	20.00
January	100.0	85.1	98.0	97.2	12.00	25.25	12.50	21.50	14.00	21.50	12.25	20.90
February	95.2	93.4	95.8	94.4	13.12	23.00	13.31	22.50	12.50	21.50	12.75	21.25
March	84.5	97.7	94.2	90.6	14.19	23.00	14.06	24.00	12.00	21.25	13.25	21.75
April	98.2	102.1	100.0	100.0	14.25	23.50	14.50	24.00	14.00	24.00	14.50	24.00
May	106.0	110.4	106.8	106.1	14.62	24.00	14.62	24.50	15.50	26.50	15.62	26.00
June	113.9	113.7	108.1	108.7	15.37	25.50	15.37	26.00	17.50	29.00	16.62	28.25
July	115.2	116.4	118.2	117.1	16.50	27.50	16.50	27.75	19.00	32.00	19.50	32.50
August	..	..	..	..	17.00	29.00	17.50	28.12	..	..	..	..
September	..	..	..	..	16.75	30.75	17.50	28.75	..	..	..	..
October	..	..	..	..	17.00	29.00	17.25	28.25	..	..	..	..

N.A.—Not Available.

TABLE W. 12—*Weekly Arrivals of Paddy in Bolpur and Burdwan Markets and Stocks with Rice Mills (Bolpur Market)—contd.*

Week-ending (Year 1959)	Burdwan			Stocks with Rice Mills in the Bolpur Market as on*					
	Prices			1958			1959		
	Paddy		Rice	Paddy		Rice	Paddy		Rice
	Max.	Min.	Max.	(mds.)	(mds.)	(mds.)	(mds.)	(mds.)	(mds.)
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(17)
Upto 16th June	.	.	.	.	22,910	34,460	17,724	10,937	
Upto 23rd June	.	.	.	.	..	..	..	..
Upto 30th June	.	.	.	.	21,119	26,080	36,549	16,272	
TOTAL (June)	.	.	.	.	
Upto 7th July	17.25	17.50	28.75	29.50					
Upto 14th July	17.50	17.62	29.25	29.75	15,220	21,885	25,204	8,692	
Upto 21st July	17.75	17.75	29.75	30.00					
Upto 28th July	18.75	18.75	30.00	32.00					
On 29th July	19.25	19.25	32.50	32.50					
On 30th July	19.50	19.50	32.50	32.50	14,267	14,552	18,071	5,691	
TOTAL (July)	.	.	.	.	73,516	96,977	97,548	41,592	

*The exact dates to which these figures relate are 15th June, 15th July, 30th July and 31st July, respectively.

TABLE W.13—*Nature of Disposal of Paddy from the Villages of Bolpur and Burdwan**

Items	Number and percentage of responses by producers by size-group				
	Upto 5·00 acres	5·00 to 10·00	10·00 to 20·00	20·00 & above	Total
1. No. of persons interviewed .	24	25	25	17	91
2. No. of persons					
(a) selling to the same dealer or miller.	6 (25·0)	12 (48·0)	3 (12·0)	5 (29·4)	26 (28·6)†
(b) selling to different dealers or millers.	17 (70·8)	13 (52·0)	22 (88·0)	12 (70·6)	64 (70·3)
(c) Not selling at all	(4·2)	..	..	..	..
3. No. of persons selling directly to the—					
(a) dealer or miller .	17 (70·8)	23 (88·0)	21 (84·0)	17 (100·0)	78 (85·7)
(b) Middlemen . . .	6 (25·0)	2 (12·0)	4 (16·0)	..	12 (13·2)
(c) Government. . .	..	..	..	..	..
(d) Others . . .	1 (4·2)	..	..	..	1 (1·1)
4. No. of taking advances against crop.	6 (25·0)	5 (20·0)	7 (28·0)	3 (17·6)	21 (23·1)
**5. No. of persons helped by the dealer to hold stock.	..	..	6 (25·8)	2 (11·8)	8 (8·8)

*Figures in brackets are percentages.

†Separate figures for the Bolpur and the Burdwan villages are ‡ Bolpur—21·6 per cent ; Burdwan—41·7 per cent.

**Responses obtained only from the Bolpur Area.

TABLE W.14—*Producers' Reaction to Government Control Measures & their true Expectation**

Items	No. and percent of responses by producers by size-group				
	Upto 5·00 acres	5·00- 10·00	10·00- 20·00	20·00- and above	Total
No. of persons interviewed	24	25	25	17	91
1. Reaction to control measures :					
(a) Favourable	..	..	..	1 (5·9)	1 (1·1)
(b) Unfavourable	22 (91·7)	22 (88·0)	24 (96·0)	15 (88·2)	83 (91·2)
(c) Indifferent	2 (8·3)	3 (12·0)	1 (4·0)	1 (5·9)	7 (7·7)
2. No. of persons not willing to sell to the Government.	22 (91·7)	23 (92·0)	22 (88·0)	15 (88·2)	82 (90·1)
3. No. of persons considering control prices to be :					
(a) Fair	..	..	..	1 (5·9)	1 (1·1)
(b) Unfair	24 (100·0)	25 (100·0)	25 (100·0)	16 (94·1)	90 (98·9)
4. No. of persons who are willing to sell the stock at :					
(a) controlled rate	..	..	..	1 (5·9)	1 (1·1)
(b) Rs.13·00—14·00	15 (62·5)	14 (56·0)	9 (36·0)	3 (17·6)	41 (45·1)
(c) Rs.14·00—15·00	8 (33·3)	9 (36·0)	4 (16·0)	5 (29·4)	26 (28·6)
(d) Above Rs. 15·00	..	2 (8·0)	12 (48·0)	8 (47·1)	22 (24·2)
**5. No. of persons wanting to increase stock holding at any cost.	6 (25·0)	8 (32·0)	10 (40·0)	5 (29·4)	29 (31·9)
**6. No. of persons holding stock for higher price.	8 (33·3)	7 (28·0)	8 (32·0)	5 (29·4)	28 (30·8)

*Figures in brackets are percentages.

**Only for the Bolpur villages.

TABLE W.15—*Paddy Purchasing Account of a Miller and a Dealer in the Bolpur Market for the period, 21st June to 30th June, 1959.*

(In maunds)

Date	Rice Mill				Adhat	
	Purchases from producers	Purchases from market	Total Purchases	Stocks with the Rice Mill as on		Purchases
				Paddy	Rice	
21st June . . .	364 (10·1)	..	364 (6·1)	1,300	2,790	102 (22·4)
22nd June . . .	309 (8·6)	42 (1·8)	351 (5·9)	..	..	..
23rd June . . .	605 (16·8)	156 (6·7)	761 (12·9)	2,232	2,199	88 (19·3)
24th June . . .	..	245 (10·6)	245 (4·1)	..	..	75 (16·4)
25th June . . .	215 (6·0)	154 (6·6)	369 (6·3)	..	..	..
26th June . . .	240 (6·7)	695 (29·9)	935 (15·8)	..	..	46 (10·1)
27th June . . .	616 (17·1)	..	616 (10·4)	..	..	30 (6·6)
28th June . . .	575 (16·0)	390 (16·8)	965 (16·3)	..	..	34 (7·4)
29th June . . .	545 (15·1)	250 (10·8)	795 (13·4)	..	..	16 (3·5)
30th June . . .	130 (3·6)	390 (16·8)	520 (8·8)	3,600	3,700	65 (14·3)
TOTAL FOR 10 DAYS	3,599 (100·0)	2,322 (100·0)	5,921 (100·0)			456 (100·0)

TABLE 0.2—*Characteristics of Selected Farmers in the Bhadrak Area*

Holding Size-group	No. of farmers		No. of persons in the family		Land*		Total operational hold- ing		No. of servants		
	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59			
Upto— 2.50	7	7	25	27	16.50	16.50	..	16.50	16.50	..	
2.50— 5.00	13	13	62	60	54.00	56.00	2.00	..	56.00	56.00	2
5.00—10.00	15	15	105	109	109.00	109.00	..	..	109.00	109.00	10
10.00—20.00	6	6	45	45	88.00	89.00	..	..	88.00	89.00	7
Above—20 acres	7	7	92	96	212.00	212.00	13.00	13.00	225.00	225.00	18
TOTAL	48	48	329	337	479.50	482.50	15.00	13.00	494.50	495.50	37

*There was no land leased-in.

TABLE 0.3—*Acreage and Yield of Paddy, 1957-59—Bhadrak, Orissa.*

Size-Group of Holdings	Paddy				Yield per acre		Increase in production in 1959 (%)
	Acres		Yield (mds.)		1958	1959	
	1958	1959	1958	1959			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Upto 2.5 acres ..	16.50	16.50	84	202	5.09	12.88	140.48
2.5—5.00 acres .	56.00	56.00	298	662	5.32	11.82	122.15
5.00—10.00 acres .	109.00	109.00	755	1,530	6.93	14.04	102.65
10.00—20.00 acres .	88.00	89.00	531	1,036	6.03	12.09	95.10
20.00 & above acres .	225.00	225.00	1,029	2,250	4.57	10.85	118.66
TOTAL .	494.50	495.50	2,697	5,680	5.45	11.07	110.60
WEIGHTED AVERAGE					5.48	12.07	113.60

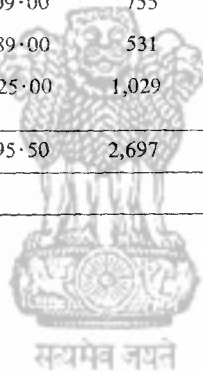


TABLE 0.4—Receipts and Disposals of Paddy at Bhadrak, Orissa.

Size Group of holdings	Receipts							
	Produced on Farm		Received as share-rent		Other Receipts		Total Receipts	
	1958	1959	1958	1959	1958	1959	1958	1959
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Upto—2.5 acres	84	202	..	..	130	10	214	212
Percentage	(39.3)	(95.3)			(60.7)	(4.7)	100	100
2. 2.5—5 acres	298	662	5	..	120	..	423	662
Percentage	(70.5)	(100.0)	(1.2)		(28.3)		(100)	(100)
3. 5—10 acres	755	1,530	..	..	149	..	904	1,530
Percentage	(83.5)	(100)			(16.5)		(100)	(100)
4. 10—20 acres	531	1,036	..	..	..	..	531	1,036
Percentage	(100)	(100)					(100)	(100)
5. Above—20 acres	1,029	2,250	25	50	80	..	1,134	2,300
Percentage	(90.7)	(97.8)	(2.2)	(2.2)	(7.1)		(100)	(100)
TOTAL	2,697	5,680	30	50	479	10	3,206	5,740
WEIGHTED PERCENTAGE	(82.9)	(98.7)	(0.9)	(1.1)	(16.1)	(0.2)	(100)	(100)

TABLE 0.4—(contd.)

(In maunds)

Size Group of holdings	Disposals										Balance	
	Kind		Payments		Sales		Consumption out of* home supplied					
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
(1)												
1. Upto—2.5 acres	..	67	10	15	204	105	..	27	..	..	..	..
Percentage	..	(31.6)	(4.7)	(7.1)	(95.3)	(48.6)	..	(12.7)	..	..	..	..
2. 2.5—5 acres	..	137	5	60	418	378	..	87	..	..	..	..
Percentage	..	(20.7)	(1.2)	(9.1)	(98.8)	(57.1)	..	(13.1)	..	..	..	..
3. 5—10 acres	..	309	59	200	845	851	..	170	..	..	..	..
Percentage	..	(20.2)	(6.5)	(13.1)	(93.5)	(55.6)	..	(11.1)	..	..	..	..
4. 10—20 acres	40	190	75	110	416	445	..	291	..	..	..	..
Percentage	(7.5)	(18.3)	(14.1)	(10.6)	(78.4)	(43.0)	..	(28.1)	..	..	..	..
5. Above—20 acres	160	458	180	400	774	1,015	20	427	20	427	20	427
Percentage	(14.1)	(19.9)	(15.9)	(17.4)	(68.3)	(44.1)	(1.7)	(18.6)	(1.7)	(18.6)	(1.7)	(18.6)
TOTAL	200	1,161	329	785	2,657	2,792	20	1,002	20	1,002	20	1,002
WEIGHTED PERCENTAGE	(6.5)	(20.9)	(10.4)	(13.0)	(82.6)	(48.6)	(0.5)	(17.5)	(0.5)	(17.5)	(0.5)	(17.5)

*Figures in this Column show only the quantity of paddy receipts used for home consumption. This may or may not be equal to the total consumption of the families for the whole year.

TABLE 0.6—Receipts, Disposals and Balance according to Family Size in Bhadrak Market, Orissa.

Size Group of holdings (acres)	Upto 5						Above 5					
	Receipts			Disposals			Balance			Receipts		
	1958	1959	1959	1958	1959	1959	1958	1959	1959	1958	1959	1959
Upto 2.5	159	147	159	120	..	27	55	65	55	65	..	..
2.5—5.0	260	507	260	435	..	72	163	155	163	140	..	15
5.0—10.0	373	465	373	400	..	65	531	1,065	531	960	..	105
10.0—20.0	70	150	70	70	..	90	461	886	461	685	..	201
Above—20.0	..	..	..	..	..	..	1,134	2,300	1,114	1,873	20	427
TOTAL	862	1,269	862	1,025	..	254	2,344	4,471	2,324	3,723	20	748

TABLE 0.7(A)—Monthly arrival, despatch and stock of Rice and Paddy during 1957-58 and 1958-59 at Bhadrak Market, Orissa.

Months	1957-58					
	Arrival		Despatch		Stock	
	Paddy	Rice	Paddy	Rice	Paddy	Rice
(1)	(2)	(3)	(4)	(5)	(6)	(7)
November	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
December	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
January	43,500 (11-29)	23,031 (5-18)	18,456	19,726	26,238	61,733
February	53,000 (13-76)	15,800 (3-55)	13,004	17,232	5,360	61,301
March	53,000 (13-76)	40,724 (9-16)	23,755	51,243	55,795	50,782
April	30,000 (7-79)	32,531 (7-32)	23,626	39,077	49,469	44,236
May	32,150 (8-34)	39,169 (8-81)	37,420	52,008	26,737	31,397
June	35,500 (9-21)	28,435 (6-39)	13,818	22,989	35,719	36,843
July	20,800 (5-40)	47,498 (10-68)	13,305	48,664	33,690	35,677
August	50,329 (13-06)	53,806 (12-10)	44,629	70,444	20,341	19,039
September	18,000 (4-67)	28,960 (6-51)	11,944	33,892	12,110	14,140
October	16,000 (4-14)	26,708 (6-00)	8,071	26,155	9,277	14,760
TOTAL	3,52,279	3,36,662	2,08,028	3,81,422	2,56,436	3,69,908

TABLE O.7(A)—Monthly arrival, despatch and stock of Rice and Paddy during 1957-58 and 1958-59 at Bhadrak, Orrisa.—contd.

(1)	Months	1958-59					
		Arrival		Despatch		Stock	
		Paddy	Rice	Paddy	Rice	Paddy	Rice
		(8)	(9)	(10)	(11)	(12)	(13)
November	.	22,400 (2.01)	53,294 (9.06)	11,277	69,207	8,778	8,847
December	.	25,500 (2.28)	49,167 (8.36)	8,324	46,937	8,754	11,077
January	.	35,000 (3.13)	64,384 (10.94)	12,173	54,513	15,706	13,548
February	.	2,13,700 (19.14)	43,443 (7.38)	1,09,000	33,276	1,07,687	23,715
March	.	5,10,000 (45.67)	1,65,400 (28.11)	3,41,300	75,450	2,63,687	1,13,665
April	.	1,05,000 (9.40)	26,000 (4.42)	3,14,300	92,665	41,687	42,000
May	.	1,34,500 (12.05)	90,265 (15.34)	96,512	1,21,550	30,500	10,715
June	.	50,500 (4.52)	64,191 (10.91)	23,434	49,825	27,566	18,781
July	.	20,000 (1.79)	30,221 (5.14)	24,870	33,830	19,696	15,172 (upto 15th July, 1959)
August
September
October
TOTAL		11,16,600	5,88,365	9,41,190	5,77,253	5,24,061	2,57,520
Estimated Arrivals for November, 1957		18,000 (4.67)	50,000 (11.24)				
Estimated Arrival for December, 1957		15,000 (3.89)	58,000 (13.04)				
GRAND TOTAL		3,85,279	4,44,662				

TABLE 0.7(B)—Weekly Arrival, Despatches and Stocks of rice and Paddy during middle of June to middle of July of 1958 and 1959 at Bhadrak, Orissa

Weeks	1958						1959					
	Arrivals		Despatches		Stock		Arrival		Despatches		Stock	
	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice
14th June (1st)	8,000 (22.22)	4,600 (9.70)	4,500	2,600	30,693	32,597	9,000 (21.43)	21,900 (35.62)	9,834	18,784	24,566	11,381
21st June (2nd)	11,000 (30.56)	7,135 (15.05)	6,762	4,135	34,931	35,597	11,500 (27.38)	9,630 (15.66)	13,500	5,630	22,566	15,381
28th June (3rd)	7,500 (22.83)	7,500 (15.52)	6,712	6,254	35,719	36,843	12,000 (28.57)	11,961 (19.46)	7,000	8,561	27,566	18,781
5th July (4th)	6,000 (16.67)	11,556 (24.38)	4,000	9,556	37,719	38,843	2,500 (5.45)	6,184 (10.06)	7,265	6,280	28,801	19,585
13th July	3,500 (9.72)	16,608 (35.04)	3,587	17,608	37,632	37,843	7,000 (16.67)	11,805 (19.00)	12,065	12,790	23,736	19,696
TOTAL	36,000	47,399	25,561	40,153			42,000	61,480	49,661	52,045		

TABLE 0.8—Prices of Common and Fine Paddy and of Milled Rice at Bhadrak Market, Balasore

Months	Common Paddy			Fine Paddy			Common Paddy			Fine Paddy		
	1957			1957			1958			1958		
	Minimum	Maximum		Minimum	Maximum		Minimum	Maximum		Minimum	Maximum	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		(8)	(9)	
	Rs.	As.	Rs.	As.	Rs.	As.	Rs.	As.	Rs.	As.	Rs.	As.
January	.	8 8	9 6	8 12	9 10	8 12	9 0	9 0	9 0	9 0	9 4	
February	.	9 4	9 6	9 6	9 10	8 8	8 12	8 12	8 12	8 12	9 0	
March	.	9 4	9 12	10 0	10 0	8 4	8 8	8 8	8 8	8 8	8 12	
April	.	8 4	8 4	8 12	9 8	8 4	8 6	8 8	8 8	8 8	8 12	
May	.	9 0	9 4	9 8	9 8	8 8	10 0	8 12	10 4	10 4		
June	.	8 4	8 8	8 8	8 12	10 0	10 8	10 4	11 0	11 0		
July	.	8 2	8 4	8 6	8 8	10 0	10 8	11 0	11 8	11 8		
August	.	8 8	9 8	8 12	9 12	10 8	11 4	10 12	11 8	11 8		
September	.	9 6	9 12	9 10	10 0	10 8	10 12	10 12	11 4	11 4		
October	.	8 12	9 8	9 0	9 12	8 12	10 0	9 4	10 8	10 8		
November	.	8 4	8 4	8 8	9 4	7 8	8 8	8 12	8 12	8 12		
December	.	8 8	9 0	8 12	9 8	7 12	8 4	8 12	9 4	9 4		

TABLE 0.8—Prices of Common and Fine Paddy and of Milled Rice at Bhadrak Market, Balasore—contd.

Months	Common Paddy			Fine Paddy			Common Rice 1958		Fine Rice 1958		Common Rice 1959		Fine Rice 1959	
	1959		(10)	1959		(12)	1958		1958		1959		1959	
	Minimum	Maximum		Minimum	Maximum		(13)		(14)		(15)		(16)	
	(11)	(11)		(12)	(12)		Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As.
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)						
January	8 0	8 0	8 4	8 4	8 4	16 8	17 0	16 0	15 8	16 0	15 8	16 0	15 8	16 0
February	8 0	8 0	8 4	8 4	8 4	16 4	17 0	16 0	15 0	16 0	15 0	16 0	15 0	16 0
March	8 0	8 0	8 4	8 4	8 4	16 4	17 0	16 0	15 0	16 0	15 0	16 0	15 0	16 0
April	8 0	8 0	8 4	8 4	8 4	17 0	17 8	15 0	14 8	15 0	14 8	15 0	14 8	15 0
May	8 0	8 4	8 8	9 4	17 8	17 8	18 0	15 8	15 0	16 0	15 0	16 0	15 8	16 0
June	8 6	9 0	8 12	9 4	17 8	18 0	19 0	16 0	15 0	16 0	15 0	16 0	15 0	16 0
July	8 4	8 8	8 8	8 12	18 0	19 0	19 8	16 0	15 0	16 0	15 0	16 0	15 0	16 0
August	..	..	..	..	19 0	19 8	..	..	..	..	..	..	..	..
September	..	..	..	..	19 0	19 8	..	..	..	..	..	..	..	..
October	..	..	..	..	16 8	17 8	..	..	..	..	..	..	..	..
November	..	..	..	..	17 8	19 0	..	..	..	..	..	..	..	..
December	..	..	..	..	17 0	17 12	..	..	..	..	..	..	..	..

TABLE 0.9—Destination-wise Exports of Rice and Paddy by Rail from Bhadrak during 1957-58 and 1958-59

Month	Shipments to other parts of Orissa (Maunds)				Exports outside the State, 1958-59** (Maunds)					
	1957-58		1958-59		Calcutta		Other parts of West Bengal and other States†			
	Paddy	Rice	Paddy	Rice	Paddy	Rice	Paddy	Rice		
November	.	.	N.A.	N.A.	676	48,774	..	..	9,069
December	.	.	N.A.	N.A.	2,000	33,000	..	..	25,000
January	.	.	21,848	14,852	..	..	..	..	..
February	.	.	9,712	19,724	..	2,773	57,871	33,312	..	
March	.	.	23,217	3,451	12,651	7,671	28,212	69,414	94,190	
April	.	.	26,727	39,407	..	3,322	..	90,148	36,900	
May	.	.	32,800	28,000	31,456	20,609	..	..	86,662
June	.	.	10,644	17,039	976	1,102	..	36,641	19,540	
July	.	.	14,000	42,500	..	..	..	..	..
August	.	.	40,211	61,894	..	..	..	..	..
September	.	.	18,531	3,342	..	..	..	..	..
October	.	.	4,446	14,283	..	..	..	..	..
TOTAL	.	.	2,06,000*	3,50,000*	47,759	1,17,251	86,083	2,29,515	1,85,850	1,24,948

* Estimated for the whole year.

† Except for the December export of 25,000 mds. of rice to Assam, all other exports are to West Bengal.

** There was no export to West Bengal (except Calcutta) in 1957-58. Between January and October, 1958, shipment to Calcutta amounted to a mere 3,200 mds. of rice all in October.

TABLE O·10 *Opinions on Trade and Control Measures*

Particulars of information	Respondents by size of Holdings (acres) of Producers					All Groups	Percent
	Below 2·5 acres	2·5 to 5·00	5·00 to 10·00	10·00 to 20·00	20·00 above		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. No. of persons interviewed	7	13	15	6	7	48	100·00
2. No. of persons :							
(a) Selling to the same miller/dealer	..	1	..	1	2	4 (15·4)	8·3
(b) Selling to different millers/dealers	..	12	..	25	5	22 (84·6)	45·8
3. No. of persons :							
(a) Taking advances from millers/dealers	..	..	..	..	1	1 (4·0)	2·8
(b) Not taking advances from millers/dealers	..	13	..	6	6	25 (96·0)	62·0
4. Persons selling :							
(a) Direct to dealers	..	1	..	3	4	8 (26·4)	16·6
(b) To Government	..	..	1	..	..	1 (3·3)	2·8
(c) To others	2	6	10	3	3	24 (70·3)	49·8
5. Reaction to control measures :							
(a) Favourable	2	6	5	2	2	17	35·4
(b) Unfavourable	..	2	..	3	..	5	10·4
(c) Indifferent	5	5	10	1	5	26	54·2
6. No. of persons considering control prices to be :							
(a) Fair	..	1	1	..	..	2	4·2
(b) Unfair	7	12	14	6	7	46	95·8
7. Reactions to government control :							
1. (a) No. of persons favouring control over prices.	3	9	10	3	7	32	66·7
(b) No. of persons not favouring it.	4	4	5	3	..	16	33·3
2. (a) Persons favouring procurement of supplies.	..	6	..	..	..	6	12·5
(b) Persons not favouring it	7	7	15	6	7	42	87·5

TABLE O.10—*Opinions on Trade and Control Measures.—contd.*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8. (a) Persons selling paddy to the Government	..	..	1	..	..	1	2.8
(b) Not selling paddy to the Government	7	13	14	6	7	47	97.2	
9. Quantity sold to the Government	..	..	30 (mds.)	..	..	30 (mds.)	..
10. Reasons for not selling to Govt. ..								
(a) Low price	4	12	8	4	5	33	68.7	
(b) Not necessary	..	1	3	..	..	4	8.4
(c) Not getting money income	3	..	4	2	2	11	22.9	
11. (a) No. of persons helped by dealers to hold stock	..	..	..	..	..	..	..
(b) No. of persons not helped so	7	13	15	6	7	48	100.0	
12. (a) No. of persons wanting to increase their stock at any costs	5	7	6	1	3	22	45.8	
(b) No. of persons holding stock for higher prices.	2	6	6	5	4	23	47.9	

TABLE O.11 *Producers' Expectation of Price of Paddy at Bhadrak Market, Orissa.*

Expectation of sale price (Rs. per maund) of paddy	Up to 2.5	2.5-5.0	5.0-10.0	10.0-20.0	20.0 & above	Total
9	..	3	..	..	2	5(10.4)
10	2	6	12	5	5	30(62.5)
11	..	1	..	..	..	1(2.1)
12	..	..	..	1	..	1(2.1)
TOTAL	2	10	12	6	7	37(77.1)

TABLE B. 1—Combined Table showing Characteristics of Selected Farmers in the Begusarai and Monghyr area.

Size of Holdings (acres)	No. of farmers		Average size of family in 1959		Average size of Operational Holdings		Servants	
	Begusarai	Monghyr	Begusarai	Monghyr	Begusarai	Monghyr	Begusarai	Monghyr
0.01—2.50	15	9	6.60	7.0	2.07	1.97	..	..
2.50—5.00	16	17	7.25	8.4	4.19	3.83	..	..
5.00—10.00	12	11	8.50	6.3	9.42	8.27	..	1
10.00—20.00	7	12	8.86	10.3	10.71	15.00	..	3
Above 20.00	4	10	16.50	10.2	48.75	95.50	..	23
TOTAL	54	59	8.24	8.5	8.91	22.14	..	27

TABLE B. 2—Characteristics of selected Farmers in Begusarai and Monghyr

Size-group of holdings (acres)	No. of Farmers				No. of Members				Total Operational Holdings			
	Begusarai		Monghyr		Begusarai		Monghyr		Begusarai		Monghyr	
	1950	1959	1950	1959	1950	1959	1950	1959	1950	1959	1950	1959
0.01—2.50	15	15	9	9	98	99	63	63	26.25	31.10	17.75	17.75
2.50—5.00	16	16	17	17	114	116	140	142	62.50	67.00	65.15	65.15
5.00—10.00	12	12	11	11	102	102	69	69	102.00	113.00	89.00	89.00
10.00—20.00	7	7	12	12	60	62	124	123	75.00	75.00	179.50	179.50
Above 20.00	4	4	10	10	64	66	102	102	190.00	195.00	955.00	955.00
TOTAL	54	54	59	59	438	445	498	499	455.75	481.10	1306.40	1306.40

TABLE B.3—*Percentage difference in 1958-59 over 1957-58 in Production and Receipts of foodgrains in Monghyr & Begusarai*

Crop	Size Group of Holdings	Production		Receipts	
		Begusarai	Monghyr	Begusarai	Monghyr
Paddy	0.01— 2.50	..	+40.8	..	+40.8
	2.50— 5.00	..	+29.2	..	+29.2
	5.00—10.00	..	+132.2	..	+132.2
	10.00—20.00	..	+68.7	..	+68.7
	Above 20.00	..	+81.0	..	+81.0
WEIGHTED AVERAGE %		..	+76.3	..	+76.3
Wheat	0.01— 2.50	+17.8	+60.0	+17.8	+60.0
	2.50— 5.00	+25.0	+46.1	+32.9	+46.1
	5.00—10.00	+18.7	+88.2	+30.6	+88.2
	10.00—20.00	+3.7	+82.6	+21.3	+82.6
	Above 20.00	—2.1	+58.6	+15.6	+58.6
WEIGHTED AVERAGE %		+11.6	+68.1	+23.7	+68.1
Maize	0.01— 2.50	..	..	..	..
	2.50— 5.00	..	+33.3	..	—14.3
	5.00—10.00	..	+80.8	..	+80.8
	10.00—20.00	..	+4.3	..	+4.3
	Above 20.00	..	—31.3	..	—31.3
WEIGHTED AVERAGE %		..	+6.3	..	+6.3

TABLE B.4 (a) Receipts and Disposals of Crops by Farmers in Monghyr

Size Group of holding	(In Mds.)									
	Production farm		Total receipt		Sales		Stock		Consumption	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
	Paddy									
Up to 2.50	71	100	71	100	..	..	71 (100.0)	100 (100.0)	63 (88.7)	84 (84.0)
2.50—5.00	288	372	288	372	..	..	288 (100.0)	372 (100.0)	269 (93.4)	300 (80.6)
5.00—10.00	121	281	121	281	10 (8.3)	35 (12.5)	111 (91.7)	246 (87.5)	111 (91.7)	111 (39.5)
10.00—20.00	655	1105	655	1105	182 (27.8)	174 (15.7)	473 (72.2)	931 (84.2)	473 (72.2)	473 (42.8)
Above 20.00	1955	3539	1955	3539	725 (37.1)	620 (17.5)	1230 (62.9)	2939 (83.0)	1230 (62.9)	1230 (34.7)
TOTAL	3090	5397	3090	5397	917 (29.7)	829 (15.3)	2173 (70.3)	4588 (84.7)	2146 (69.4)	2198 (40.4)
									27 (0.9)	2390 (44.3)
Weighted average	percentage of total receipts		24.3	15.2	82.8	89.7	80.1	52.4	2.7	37.3

TABLE B. 4 (a) Receipts and Disposals of Crops by Farmers in Monghyr—contd.

Size Group of Holding	Production Farm		Total Receipt		Sales		Stock		Consumption		Balance	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Wheat												
Up to 2.50	50	80	50	80	..	..	50 (100.0)	80 (100.0)	50 (100.0)	70 (87.5)	..	10 (12.5)
2.50—5.00	154	225	154	225	3 (1.9)	26 (11.6)	151 (98.1)	199 (88.4)	134 (87.0)	155 (68.9)	17 (11.0)	44 (19.5)
5.00—10.00	245	461	245	461	15 (6.1)	103 (22.4)	230 (93.9)	358 (77.7)	216 (88.2)	256 (55.6)	14 (5.7)	102 (22.1)
10.00—20.00	408	743	408	743	..	54 (7.2)	408 (100.0)	689 (92.7)	378 (92.6)	480 (64.6)	30 (7.4)	209 (28.1)
20.00 & above	2976	4718	2976	4718	618 (20.8)	368 (7.8)	2358 (79.2)	4350 (92.2)	1950 (65.5)	1975 (41.9)	408 (13.7)	2375 (50.3)
TOTAL	3833	6227	3833	6227	636 (16.5)	551 (8.9)	3197 (83.5)	5676 (91.2)	2728 (71.2)	2936 (47.1)	469 (12.3)	2740 (44.1)
<i>Weighted average : percentage of total receipt</i>												
					(7.2)	(10.8)	(92.8)	(89.2)	(84.5)	(60.5)	(8.3)	(28.7)

Maize												
Upto 2.50	.	7	7	7	7	7	7	5	5	2	2	2
								(71.4)	(71.4)	(28.6)	(28.6)	(28.6)
2.50—5.00	.	31	21	31	21	31	21	21	18	10	3	3
								(67.7)	(85.7)	(33.3)	(14.3)	(14.3)
5.00—10.00	.	26	47	26	47	26	47	14	19	12	28	28
								(43.8)	(40.4)	(46.2)	(59.6)	(59.6)
10.00—20.00	.	57	60	57	60	9	51	40	40	8	11	11
						(15.7)		(69.6)	(66.7)	(14.8)	(18.3)	(18.3)
Above 20.00	.	134	92	134	92	35	37	23	25	76	12	12
						(26.1)		(17.2)	(27.2)	(56.7)	(13.0)	(13.0)
<hr/>												
TOTAL	.	255	227	255	227	44	163	103	107	108	56	56
						(17.2)	(71.8)	(40.4)	(47.1)	(42.3)	(24.7)	(24.7)
<hr/>												
<i>Weighted average percentage of total receipts</i>												
						(7.3)	...	(51.9)	(54.2)	(38.5)	(27.6)	(27.6)
<hr/>												

N. B.—Figures in brackets are percentages of total receipts.

TABLE B.4 (b)—Receipts and Disposals of Wheat by Farmers in Begusarai, Bihar.

Size Group of Holding (acres)	Produced on Farm		Received as Stock		Starting Stock		Total Receipt		Kind Payment		Sales		Consumption out of home supplied		Balance	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Up to 2.50	269 (100.0)	317 (100.0)	..	..	..	..	269	317	..	..	162	44	107 (39.8)	107 (33.8)	..	169 (2.87)
2.50—5.00	556 (88.3)	695 (83.0)	74 (11.7)	106 (12.7)	..	..	36 (7.3)	837	..	..	418	58	176 (27.9)	176 (21.0)	36 (0.76)	603 (10.43)
5.00—10.00	925 (95.1)	1,098 (86.1)	48 (4.9)	118 (9.3)	..	..	55 (4.6)	1271	..	..	553	910	365 (37.5)	361 (28.4)	55 (1.16)	..
10.00—20.00	726 (100.0)	753 (85.5)	..	..	..	..	128 (14.5)	881	10	10	373	160	215 (29.6)	225 (25.3)	128 (2.70)	496 (8.58)
Above 20.00	1950 (91.1)	1910 (77.2)	190 (8.9)	173 (7.0)	..	..	391 (15.8)	2474	..	..	1429	188	320 (15.0)	320 (12.9)	391 (8.25)	1966 (34.01)
TOTAL	4426	4773	312	397	..	..	610	4738	10	10	2935	1360	1183	1189	610	3231
Weighted Av. %	(94.4)	(85.1)	(5.6)	(6.3)	(8.6)	(100.0)	(100.0)	(0.2)	(0.2)	(22.8)	(23.1)	(74.0)	(64.1)	(3.0)	(12.6)	(12.6)

N. B.— Figures in brackets are percentage of total receipts.

TABLE B. 5 (a) *Quarterly Sales of Paddy, Wheat and Maize in 1957-58 and 1958-59 (Monghyr)*

Size Group of Holding	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Paddy										
Upto 2.50
2.50—5.00
5.00—10.00	.	.	10 (3.6)	25 (8.9)	.	.	.	.	10 (8.3)	35 (12.5)
10.00—20.00	.	157 (24.0)	30 (2.7)	144 (13.0)	.	.	.	.	182 (27.8)	174 (15.7)
20.00 & above	.	90 (4.6)	620 (17.5)	435 (22.3)	200 (10.2)	.	.	.	725 (37.1)	620 (17.5)
TOTAL	.	247 (8.0)	660 (12.2)	470 (15.2)	169 (3.1)	200 (6.5)	.	.	917 (29.7)	829 (15.3)
Weighted Average :	.	(8.1)	(8.6)	(12.3)	(6.6)	(3.9)	.	.	(24.3)	(15.2)
Wheat										
Upto 2.50
2.50—5.00	.	.	15 (6.7)	3 (1.9)	11 (4.9)	.	.	.	3 (1.9)	26 (11.6)
5.00—10.00	.	.	69 (15.0)	15 (6.1)	34 (7.4)	.	.	.	15 (6.1)	103 (22.4)
10.00—20.00	.	.	30 (4.0)	.	24 (3.2)	.	.	.	.	54 (7.2)
20.00 & above	.	70 (2.4)	350 (7.4)	340 (11.4)	18 (0.4)	208 (7.0)	.	.	618 (20.8)	368 (7.8)
TOTAL	.	70 (1.8)	464 (7.5)	358 (9.3)	87 (1.4)	208 (5.4)	.	.	636 (16.5)	551 (8.9)
Weighted Average :	.	(0.7)	(8.7)	(5.5)	(3.9)	(2.0)	.	.	(7.2)	(10.8)

TABLE B. 5 (a) Quarterly Sales of Paddy, Wheat and Maize in 1957-58 and 1958-59 (Monghyr)—contd.

Size of Holdings	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Maize										
Upto 2.50
2.5—5.00
5.00—10.00
10.00—20.00
			4	9	5	9			9	9
			(7.0)	(15.0)	(8.7)	(15.7)			(15.7)	(15.0)
20.00 & above	20	30	15	25	..	..	35	55
			(14.9)	(32.6)	(11.2)	(27.2)			(26.1)	(59.8)
TOTAL	24	39	20	25	..	..	44	64
			(9.4)	(17.2)	(7.8)	(11.0)			(17.2)	(28.2)
Weighted Average	(11.7)	(25.4)	(10.1)	(16.0)			(7.3)	(18.2)

NOTES.—(1) Figures in brackets are percentages to total receipts.

(2) Figures incomplete and include sales only upto the third week of July.

TABLE B. 5 (b)—Quarterly Sales of Wheat in 1957-58 and 1958-59 by Holding Size Groups (Begusarai)

Operational Size Group	Sales in*								(Qty. in mds.)	
	Sales in 1st Qr.		Sales in 2nd Qr.		Sales in 3rd Qr.		Sales in 4th Qr.			Total
	1958	1959	1958	1959	1958	1959	1958	1959		
Upto 2.50	..	44 (13.88)	..	..	116 (43.12)	..	46 (17.10)	..	162 (5.52) (3.24)	44 (3.24)
2.50—5.00	..	51 (18.96)	..	..	337 (53.50)	..	30 (4.76)	..	418 (14.24) (4.26)	58 (4.26)
5.00—10.00	..	215 (34.13)	..	..	148 (15.21)	..	190 (19.53)	..	553 (18.84) (16.91)	910 (16.91)
10.00—20.00	..	140 (14.39)	..	..	173 (23.83)	..	60 (8.26)	..	373 (12.71) (11.77)	160 (11.77)
Above 20.00	..	715 (33.41)	..	..	488 (22.80)	..	226 (18.56)	..	429 (48.69) (13.82)	188 (13.82)
TOTAL	1121 (23.66)	1360 (23.53)	..	..	1262 (26.63)	..	552 (11.65)	..	2935 (61.94) (23.53)	1360 (23.53)
% of Total Sale	..	(38.19)	..	..	(43.00)	..	(18.81)	..	..	..
Weighted Average %	..	(22.9)	..	..	(29.5)	..	(12.2)	..	(22.8)	(23.1)

*No sales were reported in the second quarter (July to Sept.) in 1957-58 or during the first three weeks of July, 1959.

NOTE—Figures in the brackets are percentages to total receipts.

TABLE B.6—*Purchases, Disposals and Stocks of Rice by Traders in Monghyr*

Year	Quarter	Begin- ning stock (mds.)	Purchase (mds.)	Disposal (mds.)	Stock (mds.)	% of Disposal to Pur- chase	% of Stock to Pur- chase
1958	1st Quarter	4,759	4,589	7,005	2,343	152·6	60·62
	2nd Quarter	2,343	5,971	4,775	3,539	80·0	59·27
	3rd Quarter	3,539	2,964	4,733	1,770	159·7	59·72
	4th Quarter	1,770	2,936	2,097	2,609	71·4	88·87
1959	1st Quarter	2,609	3,033	2,763	3,149	92·0	103·80
	2nd Quarter	3,149	3,373	1,381	5,400	40·9	160·09

NOTE—Figures were obtained from 4 selected *Arhatiyas* of Monghyr and do not relate to the whole market.



TABLE B.7 (a)—Price at Monghyr Market

Months	(Rupees per maund)											
	Paddy (Coarse)				Rice (Coarse)				Rice (Medium)			
	1958		1959		1958		1959		1958		1959	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	12.50	12.00	..	..	20.00	19.00	..	..	22.00	19.50
February	14.50	13.50	..	..	25.00	21.50	..	..	25.50	23.00
March	16.00	15.00	..	..	24.50	23.50	..	..	25.50	25.00
April	16.50	16.00	..	..	23.00	23.00	..	..	25.00	25.00
May	20.00	19.50	18.00	16.00	27.00	26.00	25.00	23.00	29.00	28.00
June	21.50	20.00	18.00	18.00	29.00	28.00	25.00	25.00	31.50	31.00
July	22.00	21.50	18.00	17.50	29.50	29.00	25.00	24.00	33.00	31.50
August	22.00	22.00	..	..	29.50	29.00	..	..	34.62	31.90
September	21.50	21.50	..	..	31.00	30.00	..	..	34.00	33.50
October	22.00	20.00	..	..	32.00	29.00	..	..	34.75	32.00
November	19.00	14.00	..	..	28.00	23.50	..	..	30.00	25.00
December	13.50	13.00	..	..	23.50	19.50	..	..	24.00	20.00

TABLE B.7 (a)—*Price at Monghyr Market—contd.*

Months	(Rupees per maund)											
	Wheat (White)				Wheat (Red)				Maize			
	1958		1959		1958		1959		1958		1959	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	..	..	20.00	20.00	..	..	19.00	19.00	..	..	12.00	12.00
February	..	..	28.50	20.00	..	..	28.00	19.00	..	..	..	..
March	..	..	32.00	31.00	..	..	30.25	29.00	..	..	..	..
April	..	..	28.23	19.25	..	..	27.22	19.25	..	..	..	..
May	20.00	20.00	20.00	19.00	19.00	19.00	20.00	18.00	..	..	..	..
June	20.00	20.00	19.50	19.00	19.50	19.50	19.00	19.00	..	..	..	..
July	20.00	20.00	19.00	19.00	19.50	19.50	19.00	18.50	..	..	..	..
August	20.00	19.50	..	..	19.50	19.00	..	..	..	..	..	..
September	21.00	20.00	..	..	20.00	19.50	..	..	16.25	16.00	..	..
October	21.00	21.00	..	..	20.00	20.00	..	..	18.00	17.50	..	..
November	23.00	21.00	..	..	22.00	20.00	..	..	18.00	13.00	..	..
December	20.00	19.00	..	..	20.00	18.00	..	..	13.00	12.00	..	..

TABLE B.7 (b)—Price of Wheat at Begusarai

Months	(Rupees per maund)							
	Red Wheat				White Wheat			
	1958		1959		1958		1959	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	17.00	16.00	25.00	22.00	18.50	17.00	27.00	24.00
February	17.50	16.00	32.00	30.00	17.50	17.00	32.00	30.50
March	16.50	16.00	32.00	21.00	17.00	16.50	32.00	23.00
April	16.50	16.00	19.00	18.00	18.00	17.00	19.00	18.00
May	16.00	16.00	18.00	17.00	18.00	18.00	19.00	18.00
June	20.00	17.00	18.50	17.00	20.00	18.50	19.50	18.50
July	20.00	16.50	18.00	17.50	21.00	20.00	20.00	19.00
August	22.00	19.50	..	..	22.00	21.00	..	..
September	22.00	19.00	..	..	22.00	21.00	..	..
October	23.00	20.00	..	..	23.00	21.00	..	..
November	21.00	21.00	..	..	23.00	23.00	..	..
December	22.00	16.00	..	..	24.00	17.00	..	..

TABLE B. 8 (a)—Weekly Prices at Monghyr for June-July 1958 and 1959

Commodities	Price (Rs. per md.) in Week-ending									
	1958	June 6	June 12	June 20	June 27	July 4	July 11	July 18	July 25	
Paddy (Coarse)	.	.	20.00	20.50	21.50	21.50	21.50	22.00	22.00	
Rice (Coarse)	.	.	28.00	28.00	29.00	29.00	29.00	29.50	29.50	
Rice (Medium)	.	.	31.00	31.00	31.50	31.50	32.00	33.00	33.00	
Wheat (White)	.	.	20.00	20.00	20.00	20.00	20.00	20.00	20.00	
Wheat (Red)	.	.	19.50	19.50	19.50	19.50	19.50	19.50	19.50	
	1959	June 5	June 12	June 14	June 26	July 3	July 10	July 17		
Paddy (Coarse)	.	.	18.00	18.00	18.00	18.00	17.50	17.50		
Rice (Coarse)	.	.	25.00	25.00	25.00	25.00	24.00	24.00		
Rice (Medium)	.	.	27.00	27.00	27.00	27.00	26.00	26.00		
Wheat (White)	.	.	19.50	19.50	19.00	19.00	19.00	19.00		
Wheat (Red)	.	.	19.00	19.00	19.00	19.00	18.00	18.00		

TABLE B. 8 (b)—*Weekly Prices of Wheat at Begusarai for June—July 1958 and 1959*

Week ending	1958		1959	
	Red	White	Red	White
June 13	17.50	19.50	18.00	18.75
June 20	20.00	20.00	18.00	19.00
June 27	18.50	18.50	18.50	19.50
July 4	20.50	20.50	18.00	20.00
July 11	19.00	20.00	17.50	19.00



सत्यमेव जयते

TABLE B. 9—Opinions and Reactions among Different Groups of Producers

Particulars of Information	Holding Groups (acres)										Total		%	
	0.01—2.50		2.50—5.00		5.00—10.00		10.0—20.00		Above 20.00		Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr
	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr				
1. No. of persons interviewed	15	8	16	17	12	10	7	12	4	10	54	57		
2. No. of persons: .														
(a) Selling to the same miller/dealer	1	8	1	12	1	11	2	12		9	5	52	9.26	91.20
(b) Selling to different miller/dealer	14	..	15	5	11	..	5	..	4		49	5	90.74	8.8
3. No. of persons: .														
(a) Taking advances from miller/dealer	1	..	1	..	1	..	2	..	4	..	9		16.66	..
(b) Not taking advances from miller/dealer	14	8	15	17	11	11	5	12	..	9	45	57	83.34	100.0
4. Persons selling .														
(a) Direct to dealers	1	..	1	..	1	..	2	..	4	..	9	..	16.66	..
(b) To others	14	..	15	..	11	..	5	..	..	..	45	..	83.34	..

TABLE B 9—contd.

5. No. of persons helped by the:	..	..	1	..	1	..	4	..	7	..	13.21	..
(a) Dealers to hold their stocks	15	8	15	17	11	11	5	12	9	46	57	86.79 100.0
(b) No. of persons not helped	8	8	14	17	9	11	6	12	4	41	57	87.24 100.0
(c) No. of persons desiring to hold stock for high price	..	..	..	..	..	..	6	..	..	6	..	12.76
(d) No. of persons desiring to increase stock at any cost	..	..	..	..	..	..	..	..	..	..	..	..
6. Reactions to control measures :	..	..	..	..	..	..	..	..	..	..	..	..
(a) Favourable	..	..	..	..	..	..	..	..	..	..	..	..
(b) Unfavourable	11	8	14	17	12	11	3	12	3	43	57	81.13 100.0
(c) Indifferent	4	..	2	..	..	..	3	..	1	10	..	18.87
7. No. of persons considering control prices to be:	..	..	..	..	..	..	..	..	..	..	..	..
(a) Fair	6	..	1	..	..	..	..	..	..	7	..	13.21
(b) Unfair	9	8	15	17	12	11	6	12	4	46	57	86.79 100.0

TABLE B 9—Opinions and reactions among Groups of producers—contd

Particulars of Information	Holding Groups (acres)												Total		%	
	0-01—2.50		2.50—5.00		5.00—10.00		10.00—20.00		20.00 & above							
	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr	Begu-sarai	Mon-ghyr		
8. Attitude to Govt. control over prices:																
1(a) Favourable	..	..	2	..	2	..	1	..	..	..	5	..	13.16	..
(b) Unfavourable	..	8	14	17	10	11	5	12	4	9	33	57	86.84	100.0		
2(a) Persons favouring procurement of supplies	11	..	..	..	..	..	..	..	..	..	11	..	20.75	..
(b) Persons not favouring it.	4	8	16	17	12	11	6	12	4	9	42	57	79.25	100.0		
9. Expectation of sale price Rs. (per maund)																
(a) Paddy—																
Price Group (Rs.) (9-10)	2	..	3	..	1	..	2	..	2	..	10	..	37.04	..		
" (10-12)	5	..	3	..	5	..	2	..	1	..	16	..	59.26	..		
" (12-14)	1	2	..	3	..	4	..	4	..	2	1	15	3.70	27.8		
" (15)	..	6	..	12	..	6	..	8	..	7	..	39	..	72.2		
(b) Wheat—																
Price Group (Rs.) (15-18)	3	3	4	6	4	6	..	3	..	1	11	19	21.57	33.9		
" (18-20)	7	5	7	10	5	5	3	9	3	8	25	37	49.02	66.1		
" (above 20)	4	..	5	..	3	..	2	..	1	..	15	..	29.41	..		



MADRAS

*The survey in selected areas of Madras was conducted by the Agro-
Economic Research Centre of Madras, under the guidance of the
Director of the Centre,
Dr. R. Balakrishna.*

सत्यमेव जयते

SECTION 1

PROCEDURE OF INVESTIGATION

The investigation was taken up in the latter part of the second week of July. It was decided that the duration of the period of field investigation should not exceed two weeks commencing from the 14th July. The short duration of the period of investigation was borne in mind when drawing up the necessary proformas for the purpose of enquiry, and the proformas were so designed as to make it possible for the Investigator to complete the enquiry within the stipulated period. Care was, however, taken to see that there were a number of checks and cross checks to test the reliability of the data collected by the Investigator. The major underlying hypothesis behind the schedules are that the variations in marketed quantity of rice are influenced by the variations in production, consumption, hoarding, credit and transport between the two specified periods. Special attention is focussed on the pattern and pace of sales of rice between the two periods.

The enquiry was conducted at two points in space in each district—(1) at the production centre, (2) at the marketing centre. The village, and the district headquarters which happened to be the marketing centre also, were the two places of enquiry. At the village, two types of investigations were conducted. A general schedule was used to elicit the opinions of the informed public of the village on the various aspects that are associated with the flow of rice out of the village. Besides this, a household schedule was used for the cultivators. 8 to 10 cultivators were chosen in each village under investigation. The Investigators were instructed that 50% of the cultivators interviewed should be the topmost producers of the village as their decisions affect the marketed supply most. At the marketing centre also two types of schedules were used. A general schedule was used to elicit opinion from the various agencies that influenced the marketed supplies. In this schedule, which was mostly qualitative in character, information was collected at the railway station, from commercial banks, from lorry owners, from a few retail traders and from Government officers. A special schedule was used to collect data from the wholesale traders on their purchases and disposals. A few questions were also asked to elicit their opinion on the flow of rice into the market.

Out of the three districts, the district of Tanjore alone is a predominantly paddy producing and paddy exporting centre. The districts of Tinnevely and Coimbatore are mostly dry and they are predominantly millet growing. Selection of villages in Tanjore District did not present any difficulty as the Centre already completed investigation in three villages in Tanjore Taluk of Tanjore District, and the same villages were chosen for investigation. In Coimbatore District the Lower Bhavani Project Area in Erode Taluk which is paddy growing was chosen for investigation and the Investigator was asked to select three villages in the project area. In Tinnevely District it is found that only the area under Tamraparni Delta is paddy growing. We have three field Investigators stationed in Tinnevely District. Two of them were asked to choose two villages each in that part of Tinnevely Taluk covered by Tamraparni Delta area. One of them

was asked to choose two villages in Srivaikuntam Taluk. Thus in Tinnevely District six villages were covered. In Tanjore and Coimbatore we covered three villages in each. Senior Research Investigators undertook enquiry at the market centres and the Junior Research Investigators collected information at the village level. The necessary supporting data on the market supplies were collected from official publications at Madras. The field investigation was completed by the 29th July as planned.

For easy presentation the results of each schedule are given under separate headings. An attempt is made in the concluding part of the report to integrate the evidence got from various schedules for presenting the final results.

SECTION 2

PADDY TRADE IN VILLAGES UNDER STUDY

(THE RESULTS OF VILLAGE SCHEDULE)

A. TANJORE DISTRICT

1. Village Kalyanapuram

Village Kalyanapuram is only 8 miles away from the marketing centre of Tanjore. There is a bus service to the village. The village is normally a paddy exporting one. Lorries and bullock carts transport paddy to the marketing centre, though bullock cart is the major means of transport of paddy. The miller-cum-merchants at Tanjore through their agents in the village buy paddy and transport it to Tanjore. Cultivators take only a small proportion of the marketed paddy directly to the marketing centre. Though it is reported at the district headquarters that the production of paddy in the district in the year 1958-59 was higher than in the year 1957-58, the residents of this village declare that the output during the year 1958-59 was less than that of 1957-58 mainly due to pest and lack of drainage system. There are no resident traders of paddy in the village. This is quite understandable in view of the close proximity of the village to the marketing centre. Two crops are raised in the village. The first crop is harvested during the period October-November and the second crop is harvested during the period January-February. The agents of wholesale traders from Tanjore visit the village to procure paddy generally in the middle of November, and after the second harvest. The villagers report that there has been no change either in the number or frequency of visits of wholesale traders. The villagers do not think that the agents of Kerala traders visit their village. It is reported that the marketed quantity from this village was less than that of the previous year due to decreased output. There is no indication that many cultivators are in possession of large stocks of paddy, though it is admitted that a few big and medium cultivators are hoarding the stock expecting the prices to go up. To the question whether paddy is moving in small quantities there was a negative reply. It is, however, reported that such methods are being followed in the border villages of Tanjore district. Ten families are engaged in the transport of paddy and they report that there is no significant change in their incomes. The villagers report that they had to borrow more even after the harvesting period due to fall in output. Several have pledged jewels to meet cash expenses.

It is the opinion of the villagers that controls will not work due to corruption. They believe that controls helped to increase black marketing and the Government failed to control the prices due to export of rice and paddy to Kerala. The farmers are not selling their produce at control prices to traders. The prices reported in the village are invariably higher than the prices fixed by the Government.

The local mill, it is reported, does not have a stock of paddy. The villagers rank less production, export of paddy to Kerala and scarcity areas, and restrictions on movement and policy of price control in order of preference as contributing factors for the rise in the price of rice.

To sum up, production and marketed quantity are less than in the previous year, and the villagers do not give any indication that many cultivators are in possession of stocks in excess of their requirements even though they admit that a few big holders are in possession of paddy expecting still higher prices. Cross checks like visits of traders, storing facilities, incomes of families engaged in transport do not indicate that there is a significant withholding of supplies in the village.

2. Madigai Village

Madigai village in Tanjore Taluk, Tanjore District is also 8 miles away from Tanjore marketing centre. This village is also on the bus route. Lorries and bullock carts transport paddy from the village to the district headquarters, though bullock carts are more significant in respect of transport of paddy. This village is also a paddy exporting village. Two agents belonging to Madigai are serving the millers-cum-merchants in Tanjore. A major portion of the produce is taken by cultivators direct to the market. The wholesale traders through their agents procure about 20% of the produce in the village. There is no change in the manner of trade between the previous year and the current year. The marketed quantity, it is reported, was more in 1958-59 than in 1957-58. Generally 7 agents of the wholesale traders visit the village during the months of November-December and in May, June and July. There is no change in the number of visits of traders to the village. Both the resident agents of traders and the non-resident traders who visited the village, it is reported, bought more than what they bought last year. No case was reported in which money was paid to the cultivator in advance for later delivery of produce to the market. It is reported that normally cultivators sell their paddy in October-November and in February—April. It is reported that a majority of the cultivators have sold the marketable surplus of paddy, though a few big and medium cultivators still retain a part of the marketable surplus in anticipation of further rise in prices in order to make more money. 20 families are engaged in the transport of paddy and their earnings, it is reported, increased in 1958-59 when compared to 1957-58. It is reported that there were borrowings by cultivators even after the harvest period. The cultivators who hoarded their produce in anticipation of the increase in prices borrowed money from banks by pledging jewels, took loans from co-operative society against paddy and some made use of moneylenders also. The multi-purpose co-operative society of the village reports that 44 persons borrowed against paddy to the tune of Rs. 11,000 in 1958, while in 1959 the number of persons who borrowed against paddy was 21 and the total amount borrowed was Rs. 9,452. Farmers of the village are not selling the produce to the traders at controlled prices and their reaction towards Government food policy is not favourable. Export of paddy to

Kerala is given the highest rank as a factor which caused the rise in prices. Restrictions on movement of paddy and hoarding by wholesalers come next in rank.

To sum up, the village had a better crop of paddy this year than last year. The marketed quantity, from the reports, was also slightly higher. From the available evidence it is to be inferred that the increase in marketed quantity is not commensurate with the increase in production. The loan policy of the co-operative societies seems to be one of the contributory factors in helping hoarding by a few big and medium cultivators. But all evidence at the village level points out to a higher marketed quantity in 1958-59 than the preceding year.

3. Sengipatti Village

Sengipatti village is 15 miles to the district headquarters. There is a bus route to the village. Bullock carts and lorries transport paddy to and from the village. The village normally imports paddy, though it also exports. Though the village is in Tanjore taluk it is in dry tract. Yet it is selected because there are quite a few big paddy producers in the village. Almost all the cultivators take their produce to the market direct. The market centre for this village is Trichinopoly. It is reported that for the past two years due to failure of monsoon only a few cultivators are selling paddy, and they sell directly to millers-cum-merchants at Trichinopoly. Since this is not found to be a big paddy exporting village there are no agents of non-resident traders in the village for the purpose of procuring paddy. The agents of non-resident traders procure groundnut and red-gram from the village. The prices of paddy in the village are higher in 1958-59 than in 1957-58. The cultivators sell paddy generally in February-March. In this village the cultivators are selling paddy earlier to meet the cash expenses. The villagers report that there is no marketable surplus of paddy in the village. There was a rush for credit by cultivators even after the period of harvest due to failure of crops. No changes are noticed either in the means of transport, the method of sales, the period of sales or in the nature of trade. Less production and restrictions on movement and policy of price control are given very high ranks as contributory factors associated with the rise of prices. Export of paddy to Kerala is given the third rank.

Summary of village results

The three villages that have been chosen for study typify three different situations. Though Kalyanapuram and Madigai belong to the delta proper, Kalyanapuram had less production than last year and Madigai had more production. The marketed quantity showed an increase in Madigai and a decline in Kalyanapuram. In both the villages there are indications that there is some marketable stock with the big and medium cultivators, but other supporting evidences like the trends in transport and trade do not indicate that such stocks are very significant. Credit policy of the co-operative societies seems to lend support to hoarding. There is universal belief that the difficulties are more due to exports of paddy to Kerala than due to retention of marketable grain in the village. The unfavourable reaction of the villager towards Government food policy is again general.

B. TINNEVELLY DISTRICT

4. Seidunganallur Village, Srivaikuntam Taluk

The village is fairly big with a population of 4,100 and with a cultivated area of 895.50 acres. The village is in the Tamraparni delta.

It is on the bus route and about 10 miles to the district headquarters. It is also on the Tirunelveli-Tiruchendur train route. The village normally exports paddy. Carts and lorries transport paddy to Tinnevely, and carts are the more significant means of transport. There is one wholesale dealer in the village who is engaged in paddy trade. The co-operative stores in the village also buys from the local cultivators. Besides these there are 4 brokers who are engaged in paddy trade. A major share of paddy trade is done by non-resident traders. They take approximately 60% of the marketed produce while 40% is taken by the resident traders. There has been no significant change in the pattern of trade. Even the quantities purchased by these traders do not show any change. It is reported that two millers of Srivaikuntam purchase the produce immediately after harvest on the threshing floor itself in October and March. No case is reported of paddy purchases for later delivery to the market. It is reported that almost all the cultivators have sold their paddy immediately after harvest. About 55 families are engaged in the transport of paddy and that there is no change in the incomes of these families from transport. It is noticed that the cultivators of this village have special reasons to dispose of their grain immediately after the harvest as the prospects of an intermediate crop in Tiruchendur and in the eastern part of Srivaikuntam Taluk are likely to affect the prices of rice. It seems that the traders were willing to pay more than the controlled prices and get receipts stating that sales have been affected at controlled prices. The general belief in this village is that the paddy purchased by the traders is being smuggled into Kerala in the form of rice. Hoarding by wholesalers in the market is given the second rank as the reason for the scarcity of paddy in the market.

In brief there are no changes either in production or marketed quantity.

5. Karungulam Village, Srivaikuntam Taluk

This is also a fairly big village with a population of 5,830 and a cultivated area of 1,003 acres. Cultivators are in majority in the village. The village is about 12½ miles to the district headquarters, and it is on the bus route. The main road is about 2½ furlongs to the village. The village normally exports paddy. There are no resident traders in the village. About 200 cultivators sell paddy to non-resident traders on the threshing floor itself directly. The non-resident traders take directly almost all the produce of the village. These traders combine milling with trading. No change is reported in the pattern of trade or in nature of traders. Almost all the sales take place in the month of October and March soon after the harvest. The non-resident traders come both from Srivaikuntam and Tirunelveli. It is reported that cultivators do not stock paddy. The usual means of transport of paddy is bullock cart and no change is reported in the manner of transport. About 25 families are engaged in the transport of paddy and no marked change is reported in their incomes. Even though no stocking of paddy is reported cases of loans from State and co-operative banks are reported even after the harvest periods. The local mills of the village do not stock paddy. The cultivators usually sell in the form of paddy and there is no change in this practice.

It is reported that the October crop yielded less due to pests while the March crop was better. The farmers do not react favourably towards the restrictions on movement of paddy. They believe that there is hoarding by wholesalers in the market. Export of paddy to Kerala is given the

third rank when asked to rank some specified causes that contributed to the rise in prices.

6. Satarampudukulam Village, Tinnevely Taluk

This village is very near the market centre of Tinnevely. It is only about $3\frac{1}{2}$ miles from Tinnevely. There is bus service to the village. It is normally a paddy exporting village. There are about 12 commission agents for the non-resident traders. They purchase the major marketed quantity for the wholesalers. It is reported that the quantum of produce dealt by the wholesalers has shown an increase during the current year. It is also revealed that the character of the wholesale traders has shown a change. The visitors of this year are new people to the village. The purchases by non-resident traders are made during and immediately after the harvest. The wholesale traders come not only from the market centres in the district but also from distant markets like Virudhunagar and from market centres in Kerala. Kerala traders or their agents do not normally visit the village but during this year it is reported that the agents of Kerala traders visited this village. The cases of purchases for late delivery were few and far between. Even in such cases the produce was delivered within a fortnight and the reason for the late delivery in such cases was the lack of transport. Prices have been in the upward direction during 1958-59. It is reported that cultivators do not have any marketable surplus with them. The fear of cultivators that there would be a levy at controlled prices induced them to sell the quantity to the traders immediately after the harvest.

There is a change in the means of transport during this year. In many cases bullock cart transport is replaced by lorries and as a consequence the incomes of the residents who are engaged in the transport of paddy have fallen. There was no need for credit, as the produce was sold immediately after the harvest. Storing facilities in the village have not shown any expansion. The cultivators expect prices to go up still further even though they had sold all the marketable paddy. The villagers are not favourable towards the restrictions on movement and policy of price control. They rank it as the major cause of the scarcity of grain in the market. Export of paddy to Kerala is ranked as the second major cause of the difficulty. Hoarding by wholesale traders and hoarding by big farmers come next in rank.

The change in the character of paddy traders, who this year happened to be from distant places, has affected the nearby industrial towns like Taliyuthu very badly. Usually the village used to provide paddy to the neighbours who are employed in the nearby mills; but this year the village exported a major quantity to distant markets. This, it is reported, created a scarcity in the nearby industrial towns. It is said that compared to the preceding years the total stock in the village is less.

No change is recorded in the production of the village.

7. Suthamalli Village, Tinnevely Taluk

Suthamalli village has a population of 2,452 and the cultivated area in the village is 1,334 acres. Cultivators are in majority in the village. The village is only 6 miles from the district headquarters and there is bus service to the village. The village normally exports paddy. There are 5 commission agents who purchase paddy on behalf of the Tinnevely

merchants. The entire outside trade of the village is done through commission agents. Visits of outside traders are rare to the village. It is reported that the paddy of this village is taken to Tinnevely and from Tinnevely it is exported to Kerala. No change is reported in the quantum of purchases by traders between last year and this year. The prices in the village were not very high till May, 1959. There was a sudden upswing in the month of June. Most of the produce of the village is sold in September-October and March-April. It is said that one or two members among the residents of the village have still unsold stocks of paddy with them. No change is reported in the character of trade between the preceding year and this year. The source of credit for the villagers is the moneylender. There is only one rice mill in the village but it does not have stocks of paddy. It processes paddy for the consumption requirements of the cultivators and others in the village. The villagers believe that export of paddy to Kerala brought about a scarcity of paddy in the local market.

The production of the village, it is reported, is lower than last year.

8. Rajavallipuram Village, Tinnevely Taluk

This village has a population of 2,127. Cultivators form the majority in the village. The village is only 7 miles away from the district headquarters. It is on the bus route. The village normally exports paddy. There are 6 commission agents in the village who undertake purchases for Coimbatore, Tinnevely and Kerala traders. Cultivators take only a minor quantity of marketed produce direct to the market centres. The purchases by wholesale traders through commission agents were great during the year 1958-59. None of these wholesale traders, it is reported, were the usual purchasers of paddy from the village. The agents of wholesale traders visit the village immediately after the harvest, *i.e.*, in October-November and March-April. The traders visited the village in more numbers than they did during the former years. Normally, Kerala traders do not visit the village. But during the year 1958-59 there were agents from Kerala. The peak prices in the village are in January and July and the minimum prices are in October and March. The prices in 1958-59 were higher than the prices in 1957-58. Cultivators normally sell their paddy immediately after the harvest and this practice continued even during the year 1958-59. It is reported that many cultivators have sold away their marketable surplus.

Paddy is normally transported from the village both in carts and lorries. There is no indication that paddy is moving in smaller quantities than usual. In fact more lorries were employed in 1958-59 than in 1957-58. As a consequence the families that are engaged in the transport of paddy made less incomes in 1958-59 than in 1957-58. There was no rush for credit after the harvest period to meet the cash expenses as cash expenses are met by farmers by immediate disposal of paddy. The cultivators expect a fall in the prices after a month. It is the opinion of a few villagers that controls will not be effective as long as millers are in the trade. The local rice mill does not have stocks of paddy. It processes for consumption and not for sale.

The village has mostly small and medium producers and they sell their produce on the threshing floor itself. The big holders, it is claimed, were afraid of levy by the Government and sold an appreciable quantity to the highest bidder. There was a big competition among traders who are new-

comers to the village. Hoarding by wholesale traders is given the prominent rank as the cause of trouble. Hoarding by big farmers is given the second rank. Restriction on movement is given third rank.

The production of the village did not show any significant change.

9. Narasinganallur Village, Tinnevely Taluk

This village has a population of 1,320. The cultivated area is 495 acres. Cultivators form the majority. The village is only 6 miles from Tinnevely. There is bus service to the village. The village normally exports paddy. There are about 10 residents who act as agents for the wholesale traders. A major portion of the marketed produce is purchased by the local agents for wholesale traders. No visits of outside traders to the village are reported.

The cultivators normally sell their paddy soon after the harvests *i.e.*, in April-May and October-November. All the stocks in the village, it is reported, are sold out. In the month of June, it was reported that there was a regular flow of about 10 to 15 carts daily from the village. During the period of the investigation no outflow of paddy is seen. It is reported that there is no stock for sale. Prices are found to be at the peak levels during the period of investigation. They are far higher than prices at the harvest time, and also the prices of comparable period in the preceding year.

There is no expansion of storing facilities in the village. The families which are engaged in the transport of paddy reported more or less the same income as last year. The landless people of the village, who, of course, form the minority, welcomed the measures of control. There are two rice mills in the village and they serve the processing requirements for consumption and do not have any stock of paddy. Export of paddy to Kerala, it is believed by the villagers, contributed to the scarcity of produce in the market and also to rise in prices.

The village did not have a better crop this year than last year.

C. COIMBATORE DISTRICT

10. Mudakkurichi Village, Erode Taluk

The village is in Erode taluk, about 60 miles from Coimbatore, the district headquarters. It is connected to Coimbatore, the marketing centre, by a good motorable road. The village normally exports paddy and about 20 persons are engaged in this trade. It is reported that due to poor crop this year compared to last year, the export of grain also was less. The price per bag of paddy during the harvest time is Rs. 20 whereas the maximum price varies between Rs. 26—28. This, of course, is black market price. Though price control exists in the village, the villagers report that it is difficult to obtain paddy at that price. On the whole 1958-59 prices are higher compared to 1957-58 prices.

Generally non-resident traders from the nearby places like Erode, Ganapathipalayam etc., visit the village during harvesting season of April and May; but this year, on account of the existence of the licensing system the number is reduced. It is reported that there were no visits to the village by traders from Kerala. The quantity purchased by the non-resident

traders also has been less than the normally purchased quantity of 3,000 bags. Since only the licensees were permitted to buy, the villagers report that there was some transaction by unauthorised dealers, in view of the great demand for rice from big hotels in Erode and Madras. It is a very common practice found in the village and in the surrounding hamlets of Velampalayam, Olappalayam and Selambakaradapalayam that at the time of transaction the money is paid to the cultivators for the paddy sold but the whole quantity is not delivered immediately. Some quantity is retained with the hope that there would be a further rise in prices in the future. It is stored with them in their own huts in the absence of godowns or warehouses. The big cultivators sell paddy in the months of June and July whereas the small cultivators dispose it of soon after harvest in April and May. The paddy is transported chiefly in carts and lorries, the former being more significant. It is also carried in head loads and about 40—60 people are engaged in this trade. They report an increase in their incomes in the year 1958-59. The villagers say that the Government's procurement policy and control of prices have artificially boosted up prices. There are two rice mills in the village and it is reported that one of them works at night also. Bigger landlords sell in the form of rice and others in the form of paddy.

The villagers give the highest rank to restrictions on movement and the policy of price control as contributory factors to the rise in prices. Hoarding by wholesalers in the market is given the second rank.

To sum up, production is less. But the marketed quantity is slightly more. The evidence at our disposal indicates that there are delayed sales. There is a change in the character of trade and also in the composition of traders. Headloads are prominent. Non-resident traders are less in number. Unauthorised purchases are not rare.

11. Elamathur Village, Erode Taluk

The village is well linked to the marketing centre Erode by a good metalled road. The chief forms of transport used for exporting paddy from the village to the district headquarters are bullock carts and lorries, though the former predominate. Bullock carts are more significant than lorries. The charges for the bullock carts, especially this year, in spite of the existence of a good road, are fairly high. The resident traders have reported that they had to pay roughly at the rate of As. 6/- per bag of paddy for transporting it to Erode, 10 miles away.

The village is normally a paddy exporting one, though only around 50% of the area is under paddy. The number of local people engaged in this trade are very few, hardly 2 or 3. The cultivators too, only about 20%, transport paddy to the market, whereas the resident and non-resident traders, forming about 30% and 50% respectively, carry on the business of purchasing paddy in the village and transporting it to the market centre. The villagers report that the 1958-59 prices are definitely higher than what prevailed in 1957-58.

The non-resident traders usually visit the village soon after the harvest is over, in April or May, and the villagers have reported that this year, in spite of the great demand for paddy, their visits have not been very frequent because of the introduction of the licence system. These traders who come from the neighbouring places like Erode, Solangapalayam in Erode Taluk, Ganapathipalayam and Mudakkurichi purchase about 2,000 to 2,500 bags,

mostly for rice mills. There are no rice mills in the village. It is reported that the agents of Kerala do not visit the village. Few cases are reported where the cultivators receive money for the paddy sold but do not deliver all the stock at once. The big cultivators sell their paddy mostly in the months of June and July.

Exporting paddy in headloads has been on the increase in the village. About 40—50 families are engaged in this business and they report that the Government procurement policy has been responsible for this. They have also stated that their incomes increased in the year 1958-59.

There has not been any increased demand for credit from the cultivators. The villagers opine that the control of wholesale prices has only resulted in creating an artificial demand for paddy and rice. Cultivators, usually big landlords, sell in the form of rice.

The villagers rank less production as the major contributory factor to the phenomenon of rising prices. Price control policy and restrictions on movement are other causes responsible for the rise in prices.

To sum up, there is a change in the character and composition of traders. Non-resident traders are of less importance. Trade in headloads is noticeable.

12. Sivagiri Village, Erode Taluk

The village is in Erode taluk and connected by good roads to the marketing centre. It is normally a paddy exporting village, but there is a total absence of either cultivators or resident traders doing the trade. The whole business is done by outsiders. They visit at the time of harvest from Erode, Kodumudi and Karur. Because of the existence of Government control, if the required quantity is not available they buy in the black market. The cultivators usually sell paddy during April, June and July. Paddy is transported by means of carts and lorries, more by carts than by lorries. Only big landlords sell in the form of rice and others in the form of paddy. The villagers report that there was a poor crop of paddy in the year 1958-59.

The villagers rank restrictions on movement and policy of price control as the main causes for the high prices in the village. Hoarding by wholesalers in the market is given the second rank.

To sum up, production in the village is less than last year. Quantity purchased by non-resident traders as against resident traders is reported to be more. Cases of purchases for later delivery are not uncommon. Cultivators hoarding stocks are not reported to be many. Trade in headloads is not uncommon.

Summary of the results of the village schedule in the three districts

This summary is presented under four headings: (1) production, (2) marketed quantity; (3) pattern of flow into the market and the character and composition of traders and (4) general opinion of the villagers.

Production.—We studied in total 12 villages—3 in Tanjore, 6 in Tinnevely and 3 in Coimbatore. In two out of three villages in Tanjore it is reported that the production of paddy in the village is less than last year due to pests and lack of facilities for drainage. Only in one village there was an increase in production during the current year. In Tinnevely district, 5 out of the 6 villages report that there has not been any significant

change in production in the current year. One village reported a decrease in the production of paddy. In Coimbatore district, all the three villages that we investigated reported poor crops during the current year. It is to be seen whether the trends of the production in these villages are representative of the districts in which they are situated. Official sources at Coimbatore reveal that there is a slight fall in production of paddy during the current year. Official sources even at Tinnevely indicate that there is a slight fall in the production of paddy. But official sources at Tanjore indicate that there is a slight increase in production.

Marketed quantity.—Out of the three villages that we studied in Tanjore, two villages report that there is a decrease in the marketed quantity. The same two villages report a decrease in production also. The one village that reports an increase in the marketed quantity also reports an increase in production. In Tinnevely 5 out of 6 villages report that there has not been any significant change in marketed quantity, and only one village has reported an increase. The three Coimbatore villages also report a decrease in marketed quantity.

Pattern of flow into the market and the composition of traders.—The villages in Tanjore district do not report any changes in the pattern of trade and the composition of traders. The farmers in this district usually allow a lag between harvest and sales, and the same lag is allowed during the current year. There were cases of advances taken by paddy growers on paddy from co-operative society. But the number of these advances and the amounts taken are lower during the current year than last year. The cultivators did not have a difficulty to sell their produce at prices far higher than controlled prices. Excepting a few cultivators who have still stocks of unsold paddy, the majority, it is reported, have sold the stock. Presumably there are many unauthorised transactions. The general impression that one gets is that the unsold stocks at the village level are not quite significant. In Tinnevely villages marketing practices seem to differ a little from the Tanjore villages. Almost all the six villages report that paddy is marketed even on the threshing floor. In some of the villages in this district we note that there has been a significant change in the character of trade during the year 1958-59. The traders in these villages are drawn from Kerala and from Coimbatore. It is also reported that there is a quicker movement of paddy. Presumably most of the transactions and the movements in this district must have taken place before the Madras Paddy (Export Control) Order, 1959 was enforced. This is quite possible because of the fact that one crop is harvested in September-October and another crop is harvested in February-March. Even in these villages the reported unsold stock is said to be not very significant. It is in Coimbatore villages we see the effect of government policy quite clearly. It is probably because of the fact that the second season harvest in Coimbatore is later than either in Tanjore or Tinnevely. We find that there is a change in the character of trade. The number of non-resident traders and the quantity purchased by them, it is reported, is less during the current year. Trade in headloads is seen. It is also reported there is stock at the village sold by the cultivator but not delivered at the market centre. Big cultivators are reported to be engaged in paddy trade also. But the villagers claim that many cultivators do not have unsold stock.

General opinion of the villagers.—In all the villages investigated, it is said that movement restriction and price control are the major causes of

the lack of flow into the market. But the villages in Tinnevely district, in particular, emphasise that there was a large outflow of produce into the Kerala market. All the villages claim that the marketable surplus has been sold off and it is now with the wholesaler-cum-miller, and he refuses to release it because of the policy of the government. The villagers, however, grudgingly admit that there is some unsold stock with the big cultivators. Unauthorised transactions are reported in every village.

SECTION 3

FLOW OF SUPPLIES OF RICE FROM THE CULTIVATOR TO THE MARKET

(RESULTS OF CULTIVATORS' SCHEDULES)

In the preceding section we gave a generalised picture about paddy trade in the villages under study. We also gave some general indications as regards the changes in marketed quantity and the nature of trade. The opinions of a few villagers on the food control policy of the Government were also given. The preceding section is essentially qualitative in character. The section embodies mostly the impressions of the villagers on marketed quantities. In this section we are attempting a detailed quantitative study of production, marketed quantity, its frequency and timing, consumption and other disposals and stocks. The study in this section gives the results of the details on these specified aspects for the years 1957-58 and 1958-59. Weightage was given to big paddy producers in the selection of cultivators.

The results are presented for each village separately.

A. TANJORE DISTRICT

1. Kalyanapuram

Kalyanapuram village which lies on the banks of the main Cauvery river has mostly small and medium producers. In this village, one can find a few big cultivators also with considerable marketable surplus. For the purpose of our study we have taken 10 cultivators with different holdings. The largest holding cultivated is 21.50 acres and the lowest is 1.00 acre. Out of the 10 cultivators selected, 8 or 80% are found to produce in excess of their consumption requirements. In this village we find three types of agriculturists viz., (1) purely self cultivators, (2) purely tenants and (3) those who cultivate lands both owned and taken on lease. Of the 10 cultivators taken for our study, two are purely tenants, 7 owner cultivators and the remaining 1 belongs to the third category mentioned above. From this we can see that owner cultivation is predominant. Very large extents are cultivated by *pattadars* with the help of permanent farm servants known in these places as *pannaiyals*. Both kinds of tenancy, lease or *kuttagai* (fixed rent in kind) and the *waram* (crop sharing) are prevalent in this village. Of the total cultivated area (86.27 acres) roughly 50% or 42.52 acres have been leased in by the cultivators and the rest being owned and cultivated by the owners themselves. The biggest cultivator in our study produces

roughly more than 6 times his consumption requirements while the smallest producer studied is not able to produce any marketable surplus. The medium farmer in our selected sample produces around 14 times his consumption requirements which is more than double that of the big cultivator selected.

Kalyanapuram is completely a wet village enjoying the benefit of the Cauvery irrigation. Paddy forms the main crop raised while other crops grown are plantain, betelvine and vegetables (wet crops). In the case of paddy the main varieties raised are Kuruvai and Kattasamba. The former happens to be a short variety of about three months duration, while Kattasamba is an important crop of longer duration. Both these find a very good market in Kerala.

This village possesses both single and double crop lands, the former being more predominant than the latter. Out of the 10 holdings selected, possessing 86.27 acres, 71.52 acres are single cropped, while the rest (14.85 acres) are double cropped.

Production in 1957-58 and 1958-59.—At Kalyanapuram, two paddy crops are raised. The first crop is harvested in October-November, while the second one which is more significant than the former is harvested in January-February. If we compare the two yields of 1957-58 with this year (1958-59) a slight decrease is noticeable in both the cases.

Frequency and timing of sales.—In the village, October crop is sold in the subsequent month (November). In the case of the second crop (January-February) the sales are made around March to July. The maximum sales take place in the month of April. No significant change is noticeable in the pattern of sales between the years 1957-58 and 1958-59. The total sales of paddy in the months of April, May, June in 1957-58 when compared to the same months in 1958-59 show a decrease by roughly 50% which may be due to two reasons *viz.*, (i) decrease in production this year when compared to last year and (ii) hoarding by big farmers in anticipation of increase in prices.

The total number of sales stood at 28 in 1957-58 and 17 in 1958-59. In the same way the number of cultivators selling paddy have come down from 8 in the former year to 7 in the latter year. The 28 sales in 1957-58 were distributed among the 8 cultivators as follows : 2 cultivators sold once, 3 cultivators three times, while among the other three cultivators one sold twice, and the rest 5 times and 7 times respectively. Coming to the year (1958-59) it is found that out of the total number of sales of 17 by 7 cultivators the distribution is as follows : 1 cultivator sold in 5 lots. Of the rest, 2 agriculturists sold once, 2 twice and the other 2 thrice. To sum up, this year (1958-59) when compared to last year (1957-58) a decrease in the frequency of sales is noticeable.

Production, consumption, marketable quantity and sales.—Production, initial stock and receipts in kind were slightly higher in 1957-58 than in 1958-59. The total consumption did not show any significant change between the two periods. Other disposals except consumption and sales are slightly higher in 1957-58 than in 1958-59. In the consumption units for the past two years no change is noticeable. The marketable quantity and stock at the end were more last year than this year (1958-59). The sales in relation to the marketable quantity were higher in 1957-58 than in 1958-59. The difference can be seen from the Appendix.* All the

above statistics go to show that production has gone down this year when compared to last year.

A study is made on the stock in relation to the consumption requirements *plus* other disposals until the subsequent harvest. The study reveals that in both the periods out of 10 selected cultivators only 2 are withholding stocks more than their consumption requirements and other disposals until the next harvest.

In 1957-58, the highest price got for one bag of paddy was Rs. 19 in the month of July, while mostly Rs. 17 was the ruling price, though in the month of November the price stood at Rs. 15. This year (1958-59) the highest price is Rs. 20 in the month of July, while Rs. 18 is generally the ruling price and Rs. 17 forms the lowest price in the month of November.

When compared to last year (1957-58), the prices of this year (1958-59) show an upward swing.

Conclusions

From the data, it is to be concluded that the production this year when compared to last year has gone down. It is found that the percentage decrease in sales this year (1958-59) when compared to last year (1957-58) roughly comes to 48%. On the other hand, production decreased around 30% and marketable surplus has decreased by only 26% in the present year. Judging the stock position we find that on 1st July, 1958, the 10 cultivators put together had 140.58 bags of paddy. This was not sufficient to meet their consumption *plus* other requirements for a period of 4 months, *i.e.*, until the subsequent harvest. But on 1st July, 1959, the 10 cultivators put together had 239.35 bags of paddy, *i.e.*, 100 bags more paddy than what they had last year on the same date.

2. Madigai Village

Madigai village in the Tanjore delta, has mostly small and medium producers. But there are a few big producers with considerable marketable surplus. We selected 10 families of cultivators in this village. Of the 10, one produces just a little above his consumption requirements and his sales are negligible. The biggest of these cultivators produces about 8 times his consumption requirements. The medium family that we studied produces around 4 times its consumption requirements. It is clear that there is a bias in our selection of families towards those which can possess marketed quantity and this bias is justified because these families influence the marketed flows most.

Production in 1957-58 and in 1958-59.—Two crops are harvested in the village, though the January-February crop is more significant than the September-October crop. Putting together the yields of both the crops on the farms of these cultivators, we find that the combined harvests of October 1958 and March 1959 were better than the harvests of October 1957 and March 1958.

Frequency and timing of sales.—The total number of sales by these 10 cultivators were 29 in 1957-58 and 25 in 1958-59. The 29 sales in 1957-58 were distributed among the 10 cultivators as follows—5 cultivators sold in three lots, 3 cultivators sold in 4 lots and 2 cultivators sold in 1 lot. The September-October crop, it is found, was immediately sold.

The January-February crop was sold mostly around the harvest, February-March, though a minor quantity was sold in April. Sales in more lots than two did not indicate that sales took place much later after the harvest period.

In 1958-59 more paddy was sold than in 1957-58. All the 10 recorded sales even in this year. The total number of lots in which the sales took place showed a decrease. Even during this year the major proportion of the quantity sold was around the harvest period. It is, however, significant to note that there was an increase in sales both in April 1958 and January 1959. If the sales in January 1959 are not due to the early crop of February-March, it is to be inferred that part of the October crop was sold in January. The sales figure of April, May and June 1959 were compared with the sales of April, May and June 1958. It is seen that the quantity sold in the former period was more. This indicates that the timing of sales was later in 1958-59 than in 1957-58.

Production, consumption, marketable quantity etc.—Paddy produced initial stocks and other receipts in kind were higher in 1958-59 than in 1957-58. Consumption in 1958-59 was more or less at the same level as consumption in 1957-58. All other disposals except consumption and sales were higher in 1958-59 than in 1957-58. The quantity sold was higher in 1958-59. But stocks in 1959 were higher too. The stocks on 31st March, 1958 were not sufficient to meet the consumption requirements in the case of three families. If consumption and other disposals required until the subsequent harvest, *i.e.*, October 1958, are taken into account, it is found that only 4 out of the 10 families had stocks until the subsequent harvest. Let us analyse the stocks at the end of 31st March, 1959. On 31st March, 1959, three families did not have sufficient paddy to meet even their consumption requirements until the subsequent harvest. If other disposals except sales and consumption are taken into account, we see that only three families had stocks on 31st March, 1959 to meet their requirements until the October harvest. Even some of the big cultivators were found to have stocks for less than 6 months. It may be seen from the statement in the Appendix that out of the stocks on 31st March, 1959 nearly half of the stocks have been sold in April, May and June. The remaining stocks of the eight cultivators should last for a period of three months, *i.e.*, up to October, and if the figures of consumption and other disposals are to be applied for the subsequent period, the remaining stocks would not be sufficient to meet the requirements and the stocks of the farmers, on no account, can be considered to be very excessive. The price of paddy sold by these cultivators ranged between Rs. 20 and Rs. 21 per bag of 1½ maunds while the control price ranged around Rs. 15. The cultivators did not express any difficulty in disposing of their paddy to the wholesale traders.

Conclusions

Production, marketed quantity, and stocks at the end of 31st March, 1959 were more. There were delayed sales. But the present stocks with the cultivators are slightly in excess of their requirements until the subsequent harvest. The evidence does not show considerable withholding of stocks in the village.

3. Sengipatti Village

In Sengipatti village we studied 10 cultivators and got details regarding the area cultivated by them, crops, production and disposal of produce.

Special attention was given in the collection of data regarding the disposal aspect. Details were collected as far as possible, regarding the frequency and timing of sales. It has provided us some idea about the marketable surplus left with each of the cultivators. The above particulars were collected for a period of two years 1957-58 and 1958-59 to enable a comparative study.

Sengipatti is predominantly a dry tract, and paddy forms the main crop raised on irrigated land. In the dry lands Varagu, groundnut and redgram are sown. A peculiar feature is that the whole cultivated area is cropped only once unlike in the other two Tanjore villages. Paddy is harvested during the months January and February. Out of the 10 cultivators selected 9 are producing paddy in excess of their requirements for consumption. The biggest cultivator selected for study is found to produce nearly 4 times of his requirements for consumption in the year 1957-58 whereas the same cultivator had been able to produce only two times of his consumption requirements during the next year (1958-59). In the case of the smallest cultivator, the quantity left after his consumption is less than one bag. One cultivator does not have a marketable surplus, for his consumption requirements are above $1\frac{1}{2}$ times the quantity actually produced by him. The medium family studied produces slightly above its total requirements.

Production in 1957-58 and in 1958-59.—Comparing the figures of total production during the year 1957-58 and 1958-59, it can be seen that during the latter year there was a fall by about 68%.

Frequency and timing of sales.—It has been found that majority of the cultivators sell immediately after the harvest. The total number of sales by the 9 cultivators were 9 during 1957-58 and it was only 2 during the current year, i.e., 1958-59. This significant fall is solely due to the heavy fall in total production.

Production, consumption, marketable quantity and sales.—Figures regarding the quantity of paddy produced, initial stock and receipts through other means such as rent, wages etc. were available. The marketable quantity left with each cultivator is arrived at by deducting from the above total quantity all disposals including consumption, but sales. The figure thus arrived at regarding the marketable surplus in 1957-58 is seen to be about 4 times than that available during the current year. So also data collected regarding sales reveals that it is less during 1958-59. As mentioned earlier, this fall in the marketable quantity is due to the fall in production. 7 out of the 10 cultivators had been found to be not in possession of any substantial quantity left after consumption during 1958-59. In the case of the 3 others also, the marketable quantity was not significant as was the case in the year 1957-58. The stock on 31st March, 1959 was found to be less in all the cases except one in which the stocks on the two dates were the same. The total stocks with the cultivators on 31st March, 1959 were only around $\frac{1}{4}$ of the stocks on 31st March, 1958. The figures of stocks on the date of investigation revealed that the quantities were negligible in many cases.

In 1957-58, the total sale was only 41% of the marketable quantity but it was far less during 1958-59 viz., 23%. The wide difference in the actual quantity sold during both the years can be seen from the Appendix.*

*Please see at the end of the Report on Madras State.

Conclusions

The year 1958-59 had witnessed a heavy fall in production of paddy which had resulted in a corresponding fall in the quantity available for marketing. Hence the stocks left with the cultivators are not significant during the current year when compared to the previous year.

B. TINNEVELLY DISTRICT

4. Seidinganallur

Seidinaganallur, Srivaikuntam Taluk in Tamraparni delta, is a village of medium and small producers. The biggest paddy producer that we could select in this village held only 7.50 acres. The village is predominantly irrigated and paddy growing. Two crops are raised in the village. First season harvest is completed in October and the second season harvest is completed in March. We could interview only 7 cultivators in the village. The results of relevant aspect on marketed flows from the cultivators to the market are given here while detailed statements are given in the Appendix.

Production in 1957-58 and 1958-59.—Production of paddy of the two seasons in respect of the two years is studied. In the village, the 2nd season harvest is slightly more important than production of the 1st season harvest. A comparison of yields in two years has revealed that production is more or less the same between two years. In fact the total production of two harvests was slightly less in 1958-59 than in 1957-58.

Frequency and timing of sales.—Of the 7 cultivators studied, 2 are found to be small cultivators who did not have anything to sell either in 1957-58 or in 1958-59. The 5 cultivators who sold their produce did so immediately after the harvest, i.e., in October and March. There were no sales in any of the other months. As regards the frequency of sales of cultivators one small cultivator had nothing to sell after the October harvest while he sold a small quantity after the March harvest. The rest 4 sold twice, once after each harvest. No change is noticed in this pattern between 1957-58 and 1958-59.

Production, consumption, marketable quantity and sales.—The total consumption did not reveal any changes between the two periods. Other disposals except consumption and sales were slightly higher in 1958-59 than in 1957-58. The marketable quantity of the cultivator also was found to be higher in 1958-59 than in 1957-58. This, it may be noted, is not due to increase in production but greater initial stocks at the beginning of 1958-59 than at the beginning of 1957-58. But the sales during the period of 1958-59 were found to be less than the sales during the preceding year. This is because that those cultivators who have several multiples of the consumption requirements decided to stock, nearly more than twice their consumption and other requirements until the subsequent harvest. These big cultivators held more than what they required until the subsequent harvest even during the preceding year. But their stocks are greater during 1958-59. Even the small cultivators who were not found to sell in both the years held more than what they required until the subsequent harvest.

Relationship between marketable quantity and sales.—The one who held more marketable quantity obviously sold more than one who had less marketable quantity. Both, it seems, from the figures, sell usually after the harvests. But the one who has more marketable surplus is found to keep more multiples of his consumption requirements and disposals until the

subsequent harvest than one who has less marketable surplus. There is no change in this relationship between 1958-59 and 1957-58. But the number of multiples of consumption requirements and disposals withheld from the market appear to be greater in 1958-59 than in 1957-58.

Conclusions

The practice of keeping stock in excess of consumption requirements and disposals was found both in 1957-58 and 1958-59 but it is more pronounced in the latter year. But the impressions gathered through the village schedule do not corroborate our case studies. It is a matter for investigation how representative is our case studies.

5. Karungalam Village

Flows and pattern of supplies of rice from the cultivators to the market.—Our investigator undertook a case study of 8 cultivators in this village to study this aspect. Study was undertaken on the frequency and timing of sales, etc. All these are studied for two periods, April 1957 to March 1958 and April 1958 to March 1959. Study was also undertaken on developments subsequent to 1st April, 1959.

The village Karungalam, it is found, is irrigated. Paddy is the only crop. Two crops of paddy are raised, both of equal importance. The first crop is harvested in October-November and the second crop is harvested in February-March. The cultivators chosen for study, except two, are those who are found to produce more than their consumption requirements. The biggest of these cultivators produces nearly 20 times of his consumption requirements, while the smallest produces just a few bags below his consumption requirements. All except two are owner cultivators, the exceptions being the cases of owner-cum-tenants.

Detailed statements relating to the frequency and timing of sales are given in the Appendix. We give the results only here.

Production in 1957-58 and 1958-59.—The production of the first season crop was found to be slightly less in 1958-59 than in 1957-58. But the production of second season crop was better in 1958-59 than in 1957-58. Putting the two crops together, no significant difference is found between the yields of 1958-59 and 1957-58.

Frequency and timing of sales.—It is found that the cultivators in this village sell immediately after the harvest. Sales take place in the months of March and October. In each month sales are made in two lumps. There is no change in this pattern between 1957-58 and 1958-59.

Production, consumption, marketable quantity and sales.—For arriving at the marketable quantity of paddy produced during the year, initial stocks of paddy and other receipts of paddy during the course of the year are taken into account. From this total, all disposals including consumption, but excepting sales, are deducted. The remaining quantity is what the cultivator can sell or marketable quantity. It is found that there is a slight increase in marketable quantity of the cultivators in 1958-59 when compared to 1957-58 but the total sales in 1958-59 were found to be less than the total sales in 1957-58. Hence the stock at the end in 1958-59 was more than double the stock in 1957-58. It should be noted that this phenomenon is brought out because of the decision of one big cultivator who produces nearly 20 times his consumption requirements. He was found to possess

8 times his consumption requirements at the end of 1958-59 while he had only half his consumption requirements in 1957-58.

Normally a cultivator can be expected to possess a stock on 1st April for about six months to meet his consumption requirements until October, that is the next harvest. With this hypothesis we sought to study the variations in the levels of stocks on 1st April, 1958 and on 1st April, 1959. On 1st April, 1958 it is found that 4 of the 8 cultivators had less than half year's requirements of consumption. Among the rest four, one had just above half a year's requirement and three had around a year's requirements. On 1st April, 1959 only 3 had less than half a year's requirements. Among the rest, one had between 9 to 12 months' requirements. Three had between a year and a year and half's requirements and one had 8 times his consumption requirements. This study indicates the trend towards the postponement of sales in 1958-59 when compared to 1957-58. And this trend is prominent among some big cultivators. It is sought to be seen whether any sales took place subsequent to April. There were none.

Relationship between marketable quantity and sales and the timing.—This relationship is studied both for 1957-58 and 1958-59. In 1957-58 the total sales were 10/12 times of the marketable quantity. But in 1958-59 it was only 8/12 times.

It may be seen from the statement on sales according to marketable quantity that the marketable quantity exceeds sales in the cases of all the cultivators, but it should be pointed out that the marketable quantity figure does not make allowances for the stocks necessary for consumption and other disposals until the next harvest. If these allowances are made none of the cultivators will be found to have stocks in excess of their requirements in 1957-58 and only three cultivators were found to have stocks in excess of their requirements in 1958-59. Even though in terms of number of cultivators the stocks were not a very high proportion in 1958-59, in terms of quantity held in excess of the requirements until the next harvest, the figure is very significant.

Conclusions

In conclusion we may refer to the impressions got by the Investigator at the village level. The impressions were found to be true with regard to the timing of the sales. They are also true with regard to the number of cultivators that are holding stocks. But the study of cultivators has revealed that there is a greater tendency towards withholding stocks in 1958-59 than in 1957-58. And this tendency is very prominent among a few big cultivators.

6. Satrampudukulam Village

Satrampudukulam is a village with a few big producers. In this village, we have chosen 8 cultivators for investigation. All the 8 cultivators selected are found to produce in excess of their consumption requirements. The biggest of these, produces more than 100 times of his consumption requirements and the smallest producer studied produced 10 times the consumption requirements of his family. Hence the results of the case study of the cultivators in the village should be taken to represent the behaviour of "big" producer and not small and medium producers.

Production.—No significant change is noticed in the total production of the two harvests September-October 1958 and February-March 1959.

Frequency and timing of sales.—The biggest cultivator who commanded more than $\frac{2}{3}$ of the marketed quantity in 1957-58 sold in 6 lots. But he also sold most of his produce around the harvest period, i.e., October-November and March-April. Only $\frac{1}{5}$ of the produce is sold in May. Two cultivators sold in three lots. Even in these cases the quantity sold two months after the harvest is only a minor percentage. Two cultivators sold in 4 lots and all were around the harvests. Three sold immediately after the harvest. In 1958-59 the biggest cultivator, surprisingly enough, did not show any sales. It is because that the crop of his two harvests was sold in April, May and June. This can be seen in the big jump of April, May, June sales of 1959 as compared to the April, May, June sales of 1958. He did not find any difficulty in selling his produce at prices higher than the controlled prices.

Production, consumption, marketable quantity and sales.—Production, initial stock and receipts in kind were slightly higher in 1958-59 than in 1957-58. Consumption was constant and all disposals except consumption and sales showed an increase. The marketable quantity of the cultivator also was slightly higher in 1958-59 than in 1957-58. But surprisingly the sales of 1958-59 were only half the sales of 1957-58. A closer scrutiny of the figures has revealed that the biggest producer who commanded $\frac{2}{3}$ of the sales in 1957-58 sold only $\frac{1}{3}$ of his produce in 1958-59. A review of the comparative figures of April, May, June 1959 has revealed that he disposed quite a big portion of his produce during these months. He sold his quantity earlier in 1958. It is seen from the opinion survey that the cultivators did not have difficulty in effecting the sales at prices higher than the controlled prices.

Even when we take into consideration the sales effected in April, May, June 1959 by comparing the stocks on 1st July, 1958 with the counterpart stocks on 1st July, 1959, we find that the stocks on 1st July, 1959 exceed the stocks on 1st July, 1958. It is judged whether these increased stocks are necessary to meet the consumption and other requirements of the cultivators. The intervening period between 1st July and the 1st season harvest is around 4 months. It is strange that the cultivators under study are found to possess stocks for more than a year's requirements of consumption and disposal. Even allowing for mistakes in recording, the stocks are high and they are mostly in the possession of the producer who commands $\frac{2}{3}$ of the market. This is rather incredible, and, if true, is quite serious.

Conclusions

Production did not show any change. But stocks with the big cultivators are bigger this year than last year. Sales also were later this year than last year. A reference to the results of general information from the villagers that we gave in the previous section is not out of place. Some of the results noted here contradict the information got from the villagers. The general impression in the village is that there is more marketed quantity from the village in 1958-59 than in the preceding year. But the cultivators' schedule reveal less marketed quantity. This demands a closer scrutiny of the figures involved.

7. Suthamalli Village

Eight cultivators were interviewed in this village for the purpose of our enquiry. The results of the enquiry on the frequency and timing of sales,

relationship between production, consumption, marketable quantity etc. are given below. Detailed statements on these aspects are given in the Appendix.

The village Suthamalli, unlike Karungalam is a village of medium and small holders. The biggest paddy cultivator that we studied held only 5.50 acres, but the biggest owner held 13.00. Among the 8 agriculturists, two are found to be rentiers. One is partly a rentier and partly a cultivator. Two are owner-cum-tenants. And the rest three are owner cultivators. Two crops of paddy are raised by almost all the cultivators that we studied. One crop is harvested in September-October and another crop is harvested in March-April. Yields are comparatively high in the village.

Production in 1957-58 and 1958-59.—The production of paddy crop was found to be less in 1958-59 than in 1957-58. This is found to be the same in respect of both the seasons. The fall in yields in respect of 1st season, i.e., September-October was found to be greater than in respect of second season, i.e., March-April.

Frequency and timing of sales.—The sales are spread around September to January and from March to May. The maximum amount of sales takes place in September and in March. This is found to be true in respect of both the years. In fact a comparison of sales in each month for the two years reveals that there were greater sales in September 1958 than in September 1957. And the sales in October 1958 and in January 1959 were less in quantity than in October 1957 and in January 1958. This only indicates that there was a greater rush by the cultivators to the market after the 1st season harvest in 1958 than after the 1st season harvest in 1957. This fact is worth noting against the background of decreased production in October 1958. As regards the second season harvest, the sales in March 1959 were found to be slightly less in quantity than in March 1958.

The developments during the months of April, May and June 1959 were compared with those in April, May, and June 1958. The sales in 1959 for this period were found to be less than 1/3 of the sales for the same period in 1958.

To sum up, the sales of the year 1958-59 did not show a significant decline in spite of the fall in production. The sales were effected much more around the harvest than in the preceding year.

Production, consumption, marketable quantity and sales etc.—No difference is found in respect of consumption of rice by these 8 families between 1957-58 and 1958-59. The other disposals except consumption and sales also do not show any change between the two periods. Paddy produced plus initial stock plus other receipts in kind were less in 1958-59 than in 1957-58. There was a decline in the sales in 1958-59. But this decline was less than the decrease in production. The stocks with the farmers at the end of 1958-59 were found to be higher than in 1957-58.

A study of the stock at the end is made in relation to the consumption requirement plus other disposals necessary until the subsequent harvest. This study has revealed that in 1957-58, 5 out of the 8 cultivators held stocks more than what was necessary for them to meet the consumption requirements and other disposals until the subsequent harvest. In 1958-59 only 4 out of the 8 cultivators held stocks more than what is sufficient to meet their requirements until the subsequent harvest. It was found that

one of the biggest producers held less than what was necessary for his requirement until the subsequent harvest. Among the 4 cultivators who held in excess of their requirements the maximum was held by one who had 3 times his requirements and he was found to be a rentier.

Marketable quantity and timing of sales.—There is no evidence to show, so far as this village is concerned, that all the big cultivators are selling much later after the harvest. In fact the two biggest are found to sell immediately after the harvest. The small cultivators also sell immediately after the harvest. It is a few medium cultivators who are found to sell a small quantity a month or two later after the harvest. But the total sales of the medium cultivators are much less than the total sales effected by one big cultivator in the month of May.

Sales as a proportion of marketable quantity was greater in 1958-59 than in 1957-58.

Conclusion

From the data provided, it is to be inferred that there was greater rush to the market in 1958-59 than in 1957-58, though there is still undisposed stock with a few big cultivators. But this quantity on 1st April, 1959 was not much higher than on 1st April, 1958. The significant difference between the preceding year and this year is that the sales in April, May, June 1958 were far higher than in April, May, June 1959. The difference it may be noted is not due to greater stocking by cultivators than the preceding years but lesser production and earlier sales. This is substantiated by the opinions of cultivators who profess that the government action on prices and movements was too late. All the cultivators that were interviewed were unanimous in this opinion that the control of wholesale prices by the government did not prevent the trader from buying his paddy.

8. Rajavallipuram

Rajavallipuram village has a few big cultivators with considerable marketable and marketed surplus with them though majority are small and medium producers. All the 8 cultivators that we studied in the village are found to produce in excess of their consumption requirements, the lowest producing three times of the consumption requirements and the highest producing 22 times the consumption requirements of the family. The results that we present here hence, should be taken to represent the behaviour of those who influence the quantum of marketed supplies most.

Production in 1957-58 and 1958-59.—The total production of the two harvests in the year 1958-59 was not found to be significantly different from the total of the two harvests in 1957-58.

Frequency and timing of sales.—Five of the 8 cultivators that we studied sell immediately after the harvest. All the sales in 1957-58, and 16 out of the 19 sales in 1958-59 (7 in October and 9 in March) took place around the harvests. Even the rest of the sales were not long after the harvest period. In the months of April, May and June 1959 a few bags were sold, but this quantity was not very significant.

Production, consumption, marketable quantity and sales etc.—It is already seen that there was no significant change between production of 1957-58 and of 1958-59. Consumption and other disposals also did not show much change between the two years. But the quantity sold between the two years and the stock at the end show changes. The quantity sold was less in 1958-59 and the stock at the end of 1958-59 was higher than the stock

at the end of 1957-58. The increase in stock at the end of 1958-59 is seen in the case of 5 out of 8 cultivators. But when the stocks at the end are related to the consumption requirements until the subsequent harvest (*i.e.*, for six months) from March to the 1st of October, it is found that on March 31, 1958 the cultivators had just a little more than the stock necessary until the harvest in October 1958, while on March 31, 1959 the cultivators had stocks to last for 7 to 8 months, *i.e.*, even for one month beyond the subsequent harvest, *i.e.*, October 1959. This excess of stock, in view of the uncertainty of expectations etc., cannot, strictly speaking, be considered hoarding, and it would be unreasonable to conclude from the figure of lower sales and higher stocks in 1958-59 that hoarding among cultivators of this village is quite significant.

Conclusions

Changes in production are not significant. There is no significant change in the pattern and timing of sales by cultivators. There is a little less sales and a little more stock by cultivators this year than last. But when the stock is related to the consumption requirements until the subsequent harvest, it is not found to be significant.

9. Narasinganallur Village

This village is found to possess quite a few big producers who produced several multiples of their consumption requirements. Almost all the 8 cultivators that are chosen for study in this village are found to produce in excess of their consumption requirements. The biggest producer produced nearly 70 times of his consumption requirements. Hence the results of this study should be taken to represent the behaviour of "big" producers.

The village is irrigated, predominantly paddy producing. Two crops are raised. Yields are relatively high. As in other villages of Tamraparni delta one crop is harvested in September-October and another in February-March.

Production in 1957-58 and 1958-59.—Production of the 8 cultivators that we studied is found to be slightly less in 1958-59 than in 1957-58, though the second season harvest of March 1959 was reported to be better than the second season harvest of March 1958.

Frequency and timing of sales.—This village is found to be different from other villages of this area that we studied in respect of the timing of sales. In other villages we saw that sales are concentrated during the harvesting period. But in this village the sales of the 8 cultivators are spread over. The October crop is sold as late as February and the March crop is sold as late as July. But a major portion of the late sales is undertaken by the big cultivator. It is true of both the years April 1957 to March 1958 and April 1958 to March 1959.

Subsequent to April 1959 there were sales in the village and the total quantity sold in the months, April, May and June 1959 exceeded the total for the same period in 1958. The cultivators expressed the opinion that they did not find any difficulty to sell at prices more than the controlled prices. In fact the stocks with the 8 cultivators on 1st July, 1958 were 1447.04 bags of paddy, the comparable stocks on 1st July, 1959 amounted to only 710.08 bags.

Production, consumption, marketable quantity and sales.—Neither total consumption nor other disposals excepting sales showed any significant change between the periods April-March, 1957-58 and April-March,

1958-59. The marketable quantity and the sales were higher in 1957-58 than in 1958-59. The stocks at the end for the two periods do not show any difference. A significant portion of the stocks at the end, as we have already seen, was sold away in the months of May, June and July 1959. This left the 8 cultivators, put together, with stocks to meet 8 month's requirements, though they might need only three months requirements until the next harvest in September-October. This, it may be inferred, is an indication of hoarding at the village level. It should, however, be emphasised that this is not a new practice in the village. The extent of hoarding, thus measured was in fact, higher in the preceding year than in the current year, and the current year is only marked by a greater postponement of sales around the months of April, May and June.

Conclusions

Production did not show any change. Big cultivators had considerable stocks at the end of March. But considerable sales were effected in April, May and June. The extent of withholding from the market cannot be considered to be higher than the extent of withholding in the preceding year.

C. COIMBATORE DISTRICT

10. Mudakkurichi Village

In this village, 10 cultivators were interviewed for the purpose of our survey. Information was sought on the following aspects like the frequency and timing of sales, relationship between production, consumption and marketable quantity. Detailed statements explaining the above aspects are appended at the end.

Of the 10 cultivators selected, three of them own big holdings, one having 37.5 acres and 2 others 35 acres each. Of the remaining seven, 2 own between 10—20 acres and 5 have less than 10 acres. So about 50% of them are big landlords-cum-cultivators. All of them own these lands, none having leased out or taken on lease any portion of it. We have already seen that one noteworthy feature of the Coimbatore villages is the presence of large number of owner-cultivators and total absence of absentee landlords. These owner-cultivators some of whom are holders of academic degrees bestow great care and attention to the cultivation. All the lands grow two crops of paddy, the first is harvested between September-October and the second between March-April. Other crops like cholam and ragi are also grown on some lands. Yields have been fairly high in this village in the case of all the cultivators.

Production in 1957-58 and 1958-59.—Production of paddy crop has been less in 1958-59 than what it was in 1957-58. This is true in respect of both seasons but the fall in the first season is greater than in the second.

Frequency and timing of sales.—The sales are effected in all the months from September to March and from April to July in both the years. January is the month in which the highest number of bags were sold in 1957-58. In October and March of the same year an appreciable quantity is reported to have been sold. Compared with these months the quantities sold in December and February were poor. But in 1958-59, October, December and January are the months when the highest sales in the year were effected. The number of transactions as well as the total quantity sold between April and July were very negligible in both the years, but of

the two, there was slight increase in the sales in 1958-59 over those of 1957-58. It is clear from the above analysis that there were delayed sales as the sales of October crop were prolonged up to January. However, we have to note that in spite of the fall in production in 1958-59 as compared with 1957-58, the sales in the former year were more than what they were in the latter.

Production, consumption, marketable quantity and sales.—The consumption pattern of these 10 cultivator families shows that there has been no change in the total quantity consumed in 1957-58 and 1958-59. Besides, the consumption units of each family also do not differ. Even in the item, "all the disposals except consumption and sales", there is very negligible difference between the 2 years. Paddy produced plus initial stock plus other receipts are less in 1958-59 than in 1957-58. We have already seen that the sales in 1958-59 were slightly more than the previous year. Looking at the stock position at the end of the year the quantity held is less in 1958-59 than it was in 1957-58.

Another study with the data is also made, viz., the stock that would be necessary to be retained till the next harvest after meeting the consumption requirements and other disposals. In this we find that the number of cultivators, holding more than what is necessary till the next harvest, is more in 1957-58 than in 1958-59, viz., 9 and 6 respectively. The big cultivators in both the years held more stocks, but the amount held by each cultivator in 1957-58 is definitely greater than it is in 1958-59. There is an instance in 1957-58 where the consumption requirements were only 1/15 of the stock held.

Conclusions

The cultivators under study in this village are big paddy producers, the average size of land held being 54.30 acres. They produced less in 1958-59 than in 1957-58. But they sold more in 1958-59. They had considerable stocks on 1st April, 1958, which were carried over to the year 1958-59. Compared to the year 1957-58, the sales in 1958-59 were not only more in quantity, but also were earlier in timing. Hence the stocks held on 1st July, 1959 were found to be less than the stock on 1st July, 1958. But one thing should be noted. The stocks on 1st July, 1959, though less, were much in excess of consumption and other requirements needed for production until the end of October 1959.

11. Elumathur Village, Erode Taluk

We chose 10 cultivators for study in this village. All the 10 cultivators are owner-cultivators. The area held by these 10 cultivators ranged from 30 acres to 3 acres. The average area cultivated by a family is 13.2 acres. 8 of the 10 cultivators we studied are found to hold land below the average size. The total area held by the 10 cultivators is 132.00 acres. Out of this only 4 acres are irrigated and the rest are unirrigated. Paddy is raised on 128 acres. Out of these 128 acres second crop is raised on 60 acres. Two harvests are cropped, one in September-October and another in February-March. The February-March crop is the most significant one. Even though the number of cultivators that we studied is not very significant as a proportion of the total number of cultivators the area held by them is quite significant as a proportion of the total area of the village. As it is the product marketed that is more significant for the purpose on hand, the results of our study can be said to represent a fairly representative picture of the marketed flow in the village.

Production in 1957-58 and 1958-59.—The period studied is 1st April to 31st March in both the cases. This period covers the two harvests of the cultivators in each year. The yields of paddy were found to be less in 1958-59 in respect of both the crops than in 1957-58. This is found to be true of all the cultivators except one.

Marketed quantity, timing and frequency.—The total marketed quantity in the period 1958-59 was found to be higher than the total marketed quantity in 1957-58. As this is surprising against the background of a fall in production we made a closer scrutiny of other factors associated with the total marketed quantity. Consumption was the same. Other disposals except consumption and sales were in fact, slightly higher in 1958-59. So we checked up the initial stock in 1957-58 and the initial stock in 1958-59. We found that all the top cultivators out of our 10 cultivators had higher initial stocks on 1st April, 1958 than on 1st April, 1957. As a result of this, production, initial stock and other receipts put together were higher in 1958-59 than in 1957-58. This enabled the cultivators to sell more in 1958-59 than in 1957-58. Even with the greater sales they had more stocks on 31st March, 1959 than on 31st March, 1958. We studied the sales subsequent to March and until 1st July, 1959 and compared these figures with the stocks on 1st July, 1958. There were considerable sales during April, May, June, 1959 while the sales during April, May, June, 1958 were negligible, and the final result showed that the 10 cultivators put together had less stocks on 1st July, 1959 than what they had on 1st July, 1958.

A study as regards timing of sales of cultivators revealed that the sales were spread over until June during 1959, while in 1958 major share of sales took place around the harvests. The number of cultivators selling in more number of lots was greater in 1958-59.

Relationship between stocks and consumption requirements.—For this purpose stocks on 1st July, 1958 and on 1st July, 1959, are related to the consumption requirements and other disposals of the family until the next harvest. The next harvest is in October and there is a lag of 3 to 4 months. But the cultivators had nearly two years requirements (both consumption and other disposals except sales considered) on 1st July, 1958. On 1st July, 1959 the cultivators' stocks (both consumption and other disposals except sales considered) were slightly more than one year's requirements. The process of stocking in excess of the expected consumption requirements until the next harvest was common among big cultivators even last year. There are excessive stocks with them this year. But the stocks are, however, not greater than last year's stocks. Out of the 10 cultivators studied, one had no stocks and two did not have even sufficient stocks until the next harvest and the rest had excessive stocks.

Conclusions

Production is less, but surprisingly, marketed quantity is more. But this is due to higher initial stocks. Big cultivators have excessive stocks rather incredibly excessive, though these stocks are found to be less than last year's stocks.

12. Sivagiri Village, Erode Taluk

We chose 10 cultivators for study in this village. All are found to be owner-cultivators. The biggest of these cultivators held 100.00 acres and

the smallest cultivator owned 3 acres. Another big cultivator also owned 100.00 acres. So two cultivators owned $\frac{2}{3}$ of the area under study while the rest owned the remaining $\frac{1}{3}$. All are paddy producers. All owned irrigated lands. All raised two crops. The February-March crop is more important for these cultivators than the October-November crop. The total area that we studied is 295.50 acres. All the area is under paddy. Out of this area 140.00 acres are under single crop and the rest of the area is under double crop. In view of the considerable area that we are studying in the village, the results of the study may be taken to give a good picture of marketed quantity, in spite of the small number of cultivators under study.

Production in 1957-58 and 1958-59.—Total production was found to be less in 1958-59 in respect of both the harvests than in 1957-58. $\frac{2}{3}$ of the production, it may be noted is commanded by two out of the 10 cultivators under study.

Marketed quantity, timing and frequency.—These aspects are studied in respect of April—March 1957-58 and April—March 1958-59. Marketed quantity was found to be less in the latter period. This should not surprise us in the light of decreased production. But what is significant is that the percentage decline in marketed quantity is greater than the percentage decline in production.

Sales are spread over September—March. But a large quantity is sold around the harvesting periods. Some difference is, however, noticed in the timing of sales between 1957-58 and 1958-59. In 1957-58 almost all the sales took place in October-November and in February-March. But in 1958-59 while less than half the September-October crop was sold in September-October 1958, the remaining was sold as late as December. A major portion of February-March crop was sold in February. But a significant portion was spread over March, April, May, June, 1959. As regards the frequency of sales by cultivators the number of cultivators selling in a greater number of lots has increased in 1958-59 as compared to 1957-58.

All evidence points to the conclusion that there were delayed sales in 1958-59.

Relationship between stocks and consumption requirements.—Stocks, on 31st March, 1958 are compared with stocks on 31st March, 1959. The stocks in the latter period are found to be greater. But as there were some sales in April, May and June 1959 and none in April, May, June 1958, we compared the stocks on 1st July, 1959 with the stocks on 1st July, 1958. Even then it is found that the stocks on 1st July, 1959 exceed the stocks on 1st July, 1958. These stocks are related to consumption requirements, until the next harvest. They are found to be ridiculously high even for the big cultivators. Nearly $\frac{1}{3}$ to $\frac{1}{2}$ of the marketable quantity remains to be disposed. Such ridiculously excessive stocks, if true, represent a serious situation, for they present evidence of considerable withholding of stocks from the market.

Conclusions

There are delayed sales and considerable withholding of stocks. The piling up of stocks with cultivators in excess of their requirements is found to be greater this year than last year.

SECTION 4

FLOW OF RICE SUPPLIES INTO THE MARKET CENTRES

In the preceding two sections we sought to study the flow of rice out of the production centre. This was studied in section 2 at the village level, and in section 3 at the cultivator level. In section 2, we gave a generalised picture of the flows out of the village, along with some significant characteristics of rice trade that we noticed. The study was purely descriptive, and it was the sum and substance of the first impressions of the Investigator. In section 3, we made a detailed study of the market flows, the frequency and the timing, and this study was related to production, consumption and initial stock. The study of section 3 was supported by the quantitative data that we have been able to get from the cultivators, and the study can be taken to represent a fairly reliable picture of the pace and pattern of flow of rice out of the production centre. In this section we give the results of some significant factors that are associated with the quantum of flows of rice supplies into the market centre, and with the disposal of this quantum. The main factors that are associated with the quantum and with its disposal are the availability of credit, the extent and the degree of movement by rail and road, and the influence of the public policy on the behaviour of the market. It is to be admitted that, with the time at our disposal, we could not make a quantitative assessment except in a very limited sense. But even the qualitative picture on these factors that are related to marketed flows has been quite useful in gathering insights into the problem. In brief, this section attempts essentially a macro qualitative study of the market centres.

Results of General Schedule to elicit views on flow of foodgrains into the market and related factors (collected at the market centre)

A. TANJORE MARKET CENTRE

Advances on paddy or rice

The State Bank of India and the Central Bank were contacted for this purpose. We sought to know how the advances on paddy in the period October 1958 to July 1959 compared with the advances of the banks for the same period during 1957-58. The Agent of the State Bank reported that the advances on paddy were less in 1958-59 (October-July) when compared with 1957-58 (October-July). He said that there was a general decline by roughly 50% and this was mainly due to the policy of the Reserve Bank of India. The total advances for the year 1958-59 on foodgrains were Rs. 2 lakhs while advances for the same period in the previous year were Rs. 1 lakh and four thousand. In the case of the Central Bank, the decline in advances on paddy is by 40%. The people who generally seek the advances of foodgrains are millers-cum-merchants. The advances, it is said, are taken for a period of $1\frac{1}{2}$ months in the case of September-October crop while in the case of January-February crop the period of advances extends even up to 6 months.

If the two banks studied are taken to represent the situation on advances on paddy it is to be inferred that credit from organised sources is not the villain of the piece in helping hoarding. This does not, however, mean that there is no increased possibility of financing hoarding through credit from unorganised sources. It is not possible to study the extent and the direction of credit from the unorganised sources.

Comparative movement of foodgrains

For a study of this, our Investigator contacted the Station Master of the Tanjore railway station. He also contacted a few owners of lorries to know the trends in movement of foodgrains by road. The figures from the railway station are got for each month for the years 1956, 1957, 1958 and 1959. Tanjore is a surplus district and imports are negligible. As regards the exports most of the quantity that is exported from the station is exported in the form of rice. The statement of exports is given for two directions: (1) North (2) South. Exports towards North have been negligible.

The trends in exports are studied separately for the period January—June and for July—December. The exports of the former period exceeded the exports of the latter period for all the years under study. For the period January—June exports showed an increase up to the year 1958. But in 1959 the exports showed a sudden decline. The exports in 1959 were less than $\frac{2}{3}$ of the exports of the year 1958 for the period January—June.

For the period July—December we have export figures for 1956, 1957, and 1958. These figures show that there was a sudden upswing in exports between 1956 and 1957. During 1958, the exports for the period under consideration did not show any increase but there was not any significant decrease.

One significant result of our study is the low figure of exports in 1959 compared to the earlier periods. This probably is the result of the restrictions on movements imposed by the government. If the export and import figures of the railways are the only figures to be considered it is to be concluded that Tanjore district has more stocks in 1959 than earlier. But it is possible that there is a shift in movement from rail to road. For this purpose we contacted the lorry owners. Our Investigator could contact only a few lorry owners and the information that he got is qualitative. It is reported that the majority of lorry owners that he contacted have stated that there is no increase in the frequency of movements of lorries for the purposes of transport of paddy or rice. In some cases they reported less frequency and less incomes. But it has been stated by some that there has been a shift in transport from lorries to bullock carts to evade the heavy fines if and when caught by government authorities, for illegal export of paddy. The lorry owners are affirmative in stating that when compared to last year the movements are less this year. It seems probable, putting the evidence got at the railway station and from the lorry owners together, that Tanjore district has more of paddy within the district than last year.

This, of course, assumes that the production of paddy did not decline much.

Information on procurement etc.

A statement showing arrivals of paddy and rice into, and despatches from Tanjore centre is got from the office of the District Statistical Officer. This information is got only for the three months—April 1959, May 1959 and June 1959. Arrivals from local area are the most significant. Outside arrivals are negligible. Arrivals of paddy in May fell down to half their level in April, and in June the arrivals were only $\frac{1}{4}$ th of the arrivals in May. Despatches of paddy to outstations are insignificant. Most of the paddy that arrived was locally sold. The sales showed considerable decline in the month of June. In respect of rice, arrivals into the market fell down

considerably in the month of June. There were significant despatches to outstations both in the months of April and May. But even despatches to outstations declined in the month of June. The quantity procured by the government was around $\frac{1}{3}$ of the arrivals in the months of April and May and around $\frac{1}{2}$ of the arrivals in the month of June. The local sales in the month of June fell to $\frac{1}{2}$ of its quantity in the month of April. The month of June records the lowest in respect of arrivals, sales and closing stock.

Information on the stocks of retail traders

This information is got by our investigator by questioning a few retail traders in the market. No attempt is made to get quantitative data. It is reported that when compared to last year the stocks of the retail traders are not adequate. Some of them indicate that due to non-availability of the stock in the market they are not able to satisfy the requirements of the consumers. The retailers also report that all their purchases are above the controlled prices and it had not been possible for them to acquire rice from the wholesalers at controlled prices. Some retailers report that they have been able to purchase rice in small quantities from cultivators direct.

General information on the market centre : Conclusions

The evidence that we have does not indicate that there is a greater flow of paddy and rice from Tanjore district to other areas. In fact the exports of paddy and rice by rail were less than previous years. Lorry owners claim that they are getting more or less the same income and in some cases even less income. The retail traders express the opinion that they are not getting adequate stocks. If we put all the evidence together, we are led to think that the stocks of paddy and rice available in Tanjore market are not less this year than last year assuming that production did not decline considerably.

सत्यमेव जयते

B. TINNEVELLY MARKET CENTRE

Advances on paddy or rice

Advances on paddy or rice are closely related to hoarding. So an effort was made to know the degree and the extent of advances on paddy. For this purpose our investigator contacted the agents of the State Bank of India, the South India Bank and the Central Bank of India in Tinnevely. The Agent of the State Bank reported that the Bank did not advance on foodgrains in 1957-58 and in 1958-59. He, however, reported that the people who in general seek advances from the Bank on paddy are the wholesale traders who also happen to be the millers, and he formerly used to advance to these people on paddy for a period of 6 to 9 months.

The Secretary of the South India Bank reported that the advances on foodgrains are more or less the same during both the years, the difference being 4.79% less during 1958-59. The advances are usually made immediately after the two harvests—*Kar* and *Pishanam*. The normal period for which the advances are made in six months.

The Agent of the Central Bank of India reported that there is no appreciable change in the amount advanced on paddy between the period October to July in 57-58 and 58-59. His clients are mostly wholesalers-cum-

millers. He continued that due to the restrictions imposed by the Reserve Bank of India, the Bank finds it difficult to advance even to their best parties to the extent of their actual requirements. Hence it is said that there is a fall in the number of those who approach the bank. The period of advance is 6 months.

To sum up, there has been no change in the credit on foodgrains from organised sources. This does not, however, mean that there are no alternative avenues for credit which give a prop to hoarding. And such sources, unfortunately, are not amenable to investigation of this type.

Comparative movements of paddy or rice

The movement by rail and road is sought to be studied. For the former, the investigator contacted the station master of Tinnevely. More wagons of paddy were received during the period 1958-59 than in 1957-58 mainly from Conjeevaram, Chingleput, Madurantakam and Tambaram. There was a greater inflow of rice from Bezwada, Nellore and Kumbakonam in 1958-59. Normally there used to be inflow of rice or paddy into the Tinnevely Railway Station from April to July, i.e., after the *Pishanam* season and even after the *Kar* season. During the year the imports had been more. As against greater imports there were less exports by rail from this station. 33 wagons of paddy had been exported to Coimbatore District in 1958 (February to July) while only 11 wagons were sent in 1959 during the same period. It is reported at the station that the imported quantities of paddy and rice had not been for the Tinnevely market but goes mainly to Nagercoil, from where it is supposed to be taken to Kerala by lorries.

To sum up, the study does not indicate that there is a less inflow of paddy and rice into the Tinnevely market. In fact there is a greater inflow.

Movement by road is sought to be studied by contacting a few lorry-owners. The interview with the lorry-owners indicates a shift in the movement of paddy. Paddy is now being transported to Nagercoil in Cape District instead of Coimbatore. It is easier to smuggle to Kerala through Cape. The plying of lorries for purposes of transport of paddy is great during the months of April to May and September to November. No difference is reported in this respect between 1957-58 and 1958-59. It is understood that the *chowki* posts at the borders are not being effective in preventing smuggling of paddy into Kerala.

Information on procurement etc.

Information on procurement etc. is obtained from the office of the District Collector. The targets of procurement for the district are 4,500 tons of paddy and 7,200 tons of rice. The quantity to be supplied from Tanjore district had been fixed to be 3,600 tons of paddy and 2,400 tons of rice. The quantity procured till 18-7-59 fell below the target. The quantity procured in respect of paddy was only 3,440 tons of paddy and in respect of rice the quantity was only 1,457 tons. The quantity received from Tanjore was also less than the target in respect of paddy. So far 975 tons of paddy and 3,265 tons of rice were received from Tanjore. Exports to Kerala from the district based on permits issued by the Board of Revenue were: rice, 4,027 tons and paddy 137 tons. The actual prices ruling in the market were nearly $1\frac{1}{2}$ times those of controlled prices.

It is reported that so far as this district is concerned, 1958-59 crops had been no way better than 1957-58.

Information on the stocks of retail traders

The retail dealers have adequate stocks of rice though the prices ruling in the market are much higher than the controlled prices. But in recent weeks the retail dealers, it is reported, are experiencing difficulty in getting their stocks replenished by purchases from the wholesale traders. Some retail traders report that they have been buying directly from cultivators and this is a recent phenomenon. But the quantity thus purchased, it is added, is not significant.

General information on the market centre : Conclusions

The evidence that we have, does not indicate that there is less flow of paddy or rice into the market. The Railway Authorities report that they received more imports and exported less than last year. The lorry-owners claim that their business is as good as it was last year. The thing to be noted is that there is a shift in the movement of foodgrains. The evidence of commercial banks cannot be taken as conclusive on the extent of hoarding as alternative sources of credit are available and bank money is got by advancing things other than paddy and this money can be used to support hoarding.

C. COIMBATORE MARKET CENTRE

Advances on paddy or rice

For this purpose our investigator contacted the Agent of the State Bank, Coimbatore. The agent of the State Bank, Coimbatore reported that the advances on foodgrains were maintained at more or less on the same level and they are in accordance with the directions issued by the Reserve Bank of India. The investigator could not contact any other commercial bank.

Movements of paddy or rice

For a study of this we relied on the statistical supplements to Fort St. George Gazette and the reports of the Statistical Inspector. The statistical supplements to the Fort St. George Gazette give an idea as to the movement of rice. In July, 1958 large movements of rice are reported from Coimbatore to places like Kerala State. Lack of adequate wagon facilities are also reported in the same month. Prices showed a steady upward trend. In October, 1958 a flow of movement of Kuravai paddy from Tanjore district to Coimbatore is reported. The flow of newly harvested Kuravai paddy from Tanjore district to Coimbatore continued in November. In December, 1958 arrivals of A.D.T. 8 Samba paddy harvested in the last week of December were reported in Coimbatore market. The arrivals of paddy into Coimbatore district mostly by lorries from Tanjore district were reported even in the month of January. In February, 1959 Coimbatore district imported the freshly harvested Sirumani paddy from Chingleput. In March there were despatches of rice from Erode in Coimbatore district to Quilon. The arrivals and despatches of rice and paddy in Coimbatore market are given for each month from January, 1959 to July, 1959. The arrivals and despatches of rice are more significant than arrivals and despatches of paddy. The arrivals of paddy were less in February, March and April and they are centred around May and June. The high, January figure is indica-

tive of the continuing flow after the first season harvest. The despatches seem to follow the arrivals with a lag. The rice arrivals and despatches seem to follow the two harvests. From the figures it appears that the arrivals in the market are mostly meant for despatches to outside stations. The despatches were mostly to Kerala and Nilgiris.

Our investigator contacted a few lorry-owners on the transport of paddy or rice. The owners of lorries report that the frequency of visit of lorries for the purposes of transport of paddy or rice was greater during the current year than last year. The direction of the movement to Kerala, they report, has been greater during the current year than last year. It is reported that more rice was exported through Coimbatore borders from Tanjore district. The weekly returns of Civil Supplies Officer indicate that the export of rice to Kerala from Madras State through Coimbatore borders was very high in the month of May. They continued to be quite significant even in June and July.

Information on procurement etc.

Procurement in the district began in the middle of February, 1959. The procurement targets up to August, 1959 were 21,850 tons in the case of rice and 1,150 tons in the case of paddy. But the quantity so far procured is only 15,990 tons in the case of rice and 847 tons in the case of paddy.

According to the Statistical Inspector the wholesalers suspended the supply of rice in the month of March (2nd week) for three days. They created an artificial scarcity and thus created an upward trend in the price levels.

In May and July price of rice in the Coimbatore market was very high.

Conclusions :

Unfortunately we do not have data on the quantity of arrivals and despatches from the market centre. But the evidence from lorry-owners seems to indicate that the flow of rice into Coimbatore has been greater during the current year than last year. Our studies at the village level indicate that Coimbatore traders purchased paddy even in Tinnevely district and the Tinnevely villagers reported that the visits of Coimbatore traders to their villages were a recent phenomenon. But it appears that there has been a great outflow of rice to Kerala through Coimbatore borders, though this must have taken place before the month of March. A letter from a leading merchant and commission agent got by our investigator through the Agent, State Bank of India, Coimbatore states that nearly 1,500 tons of rice and paddy are being imported from Andhra Pradesh monthly and nearly 750 tons of rice and paddy are being imported from Tanjore and Trichy Districts. The letter states that there is no paddy available at the ceiling rates. At Tanjore District the Government rate for 2 mds. of rice is Rs. 36 but it is quoted at 48 per bag of 2 maunds. The local rate at Coimbatore is Rs. 50 per bag of 2 mds. with gunny. The merchants are forced to confine themselves to retail sales only.

SECTION 5

PACE AND PATTERN OF FLOW OF SUPPLY OF RICE AS
REVEALED BY WHOLESALE TRADERS

The preceding section is essentially the result of a macro qualitative study of the market centre. In this section we seek to undertake a micro study of the individual agents, *i.e.*, the wholesale traders who directly influence the change of the quantum of flows of supplies into the market, and out of the market. The wholesale traders, as we already noticed, combine milling with trading in Tanjore and Tinnevely markets. It is only in Coimbatore market centre that milling and wholesale trading are not combined. Detailed quantitative study is undertaken on the purchases and sales of wholesalers. It is unnecessary to add that we had to exercise great caution in interpreting the data given by the wholesale traders. In Tanjore market centre, it may be seen, that the turn-over, as judged from figures of sales tax, does not tally with the figures of turn-over by the wholesale trader. The temptation on the part of wholesale trader, it was discovered in the course of investigations, to evade information or even to give dishonest information, is great. Hence attempt is made in the concluding part to judge the information in the light of other evidence that we got, *i.e.*, at the end of production centre and also at the end of transport centres.

A. TANJORE MARKET CENTRE

Wholesale traders at Tanjore market were contacted by our investigators in order to elicit their opinions regarding various factors like the purchase and sale of rice, the stock position, the time of transactions and other relevant aspects that are responsible for regulating the flow of rice into the market centre. The information sought was in respect of the period between September to August, 1957-58 and September, 1958 to date of investigation and they are summarised under the following heads :

The manner and the agency

The five wholesalers who were interviewed are fairly big traders doing large business as revealed by the amounts of sales tax paid by them in the last two years. Tanjore district is one of the very prosperous paddy growing districts in the South, and as already seen two of the villages selected are in the deltaic area. Therefore we would expect it to be a surplus area with large stocks available for export. A study of the stock position with the wholesalers has revealed that of the five traders contacted, two held more paddy and rice on the date of investigation in 1959 than what they had on the same date in 1958. One of the two who held more stocks attributed it to the piling of stocks due to non-purchase of government quota. Those who held less stocks did not give any special cause for the general decrease in the stock held except to attribute it to "some change in business" or "general market conditions".

The wholesale dealers normally purchase paddy from the neighbouring villages both through their agents as well as directly from the farmers also. The paddy is later processed into rice in the rice mills. As regards the

number of agents employed, two dealers are reported to have engaged one each, two ; 2 each, and one, 3. They visit about 15—20 villages like Vandiar, Iruppur, Valaiman, Vadagal, Kalakudi, Pulavanathan, Ulluvur, Pachur, Shiralam, Thenangudi and Othanadu for making the purchases. The visits would be between October and November after the harvest of the 1st crop and March-July in the case of second crop. It is reported that there was no change in the number of villages or in the period of visit during 1958-59. Besides there was also no increase or decrease in the number of agents engaged. They also report of no difficulty having been experienced in transporting paddy to the market.

Timing of flow

Information obtained regarding the purchase and sales of paddy relate to each month from September to August, 1957-58 and from September 1958 to date of investigation. It is evident from the enclosed statement and graph showing the purchase and sales of paddy in 1957-58 and 1958-59, that the purchase of paddy in the aggregate was more in 1957-58 than in 1958-59. There are of course a few individual instances as in October and December when the quantity purchased was more in the current year. Similarly in the case of sales too, the quantity sold in 1957-58 was 1,11,164 bags whereas in 1958-59 it had come down to 74,753 bags nearly by 32.9%.

A closer scrutiny of the monthly figures reveals some significant results. For this purpose the figures from September to June are broken up into four series—(1) September-October (first harvest), (2) November-December-January (intermediate period between the two harvests), (3) February-March (Second harvest) and (4) April, May and June. The July and August figures are not taken into account as we do not have comparable figures. Such a break up shows that the purchases in all the 4 periods in 1958-59 were less than in 1957-58. But the major decline is revealed in respect of the period February—June. It is precisely this period during which controls have been in operation. Sales figures show a considerable fall when compared to 1957-58. The fall is remarkable when the period February to June, 1959 is compared with February to June, 1958.

Our study on the timing and pattern of flow indicates, if any reliance is to be placed on the figures furnished by the wholesale traders, that there was a decline in purchases and sales in 1958-59 when compared to 1957-58, and the remarkable restriction of transactions after January is associated with the price control policy of the Government.

The trend noticed in the purchase price of paddy in 1957-58 is one of rise as we go from September, 1957 to August, 1958, the highest being between May to August when the maximum and minimum prices were Rs. 20.05 and Rs. 17.37. In the other months also the minimum did not fall below Rs. 16.00. Even after the introduction of price control we notice that the prices did not touch either the earlier rate of Rs. 14.69 or the new rate of Rs. 16.19. Maximum price of Rs. 19.50 is reported to have prevailed in May and June, 1959 and a minimum of Rs. 16.10 in February. The correctness of these figures corroborates with the answers received for another query wherein all the five dealers have stated that they were not able to purchase paddy at the control price. In the case of paddy sales also the prices were higher than the government rate. Maximum and minimum prices for 1957-58 were Rs. 40.25 and Rs. 34.00 respectively

and the corresponding figures for 1958-59 were Rs. 45.25 (in July) and Rs. 34.00 (in February).

Factors relating to storing of quantity etc.

The highest number of godowns owned is 6 and the lowest 2 and some of them can hold as many as 20,000 bags while others 3,000 bags. None of the wholesalers have either increased the number of godowns of their capacity in the current year. The credit needs of the traders have been the same this year.

In conclusion, the picture that we get at the wholesalers' end is that there are less transactions in paddy in 1958-59 than in 1957-58 and the restrictions are due to restrictions on movements and control. But if the total sales tax paid by these wholesale dealers is an indication of the turnover, one has to infer that there were more transactions in 1958-59 than in 1957-58 or in 1956-57, since all these wholesale dealers reported payments of more sales tax in 1958-59. In the light of this, the sales figures given by the wholesale traders seem to need further investigation.

B. TINNEVELLY MARKET CENTRE

Study at the end of the wholesalers is made on the form, the manner and the agency, the timing and place of purchases and timing and destination of sales. Opinions of the wholesalers are sought on the market supplies of rice and some significant related factors. For this purpose our investigator interviewed 7 wholesale traders in the Tinnevelly market. Besides these 7 a manager of a co-operative store was also interviewed. The study in respect of the items aforementioned is made in respect of the period September—August, 1957-58 and also of September, 1958 to date of investigation.

The form of purchases and sales

It is seen that in most cases the wholesale traders in the Tinnevelly market combined milling operations with trading. Out of the 7 we investigated, only one is not a wholesalers-cum-miller and this one buys rice from millers in Tanjore. He also imports rice from Andhra. All the rest report that they make their purchases in the form of paddy and undertake their own processing. This is understandable in view of the fact that this particular market centre is situated in the Tamraparni Delta and is surrounded by rich paddy growing villages. Sales in the form of paddy by wholesale traders is negligible.

The manner and agency

The usual method of purchase of paddy from the cultivators is through agents who are specially deputed for this purpose. The agents contact the village brokers who are in direct contact with the cultivators. Purchases of paddy at the market centre direct from cultivators are rare. This is corroborated by the evidence that we got from cultivators of this area that most of the marketed quantity is sold in the village, and it is sold to the agents of the wholesale traders. In fact we find that the wholesale traders that we interviewed made their purchases from the villages we investigated. One of the wholesale traders that we interviewed who happens to possess a branch in Trivandrum has contacts with nearly 100 villages for the purpose of purchasing paddy.

The timing of flow

We asked for the purchases and sales of the wholesale traders in each month for the period 1957-58 and also for 1958-59. The response was not complete. Two out of the 7 wholesalers contacted evaded furnishing all quantitative information. One out of the remaining five did not give figures for purchases of rice. Statement showing rice and paddy purchased by wholesalers are given in the appendix. Most of the sales are in terms of rice and only a negligible amount sold is in the form of paddy. A statement of sales of rice is also shown in the appendix. The statements give the pattern and timing and they are illustrated in the accompanying graphs.

The purchases of paddy are mostly from the neighbouring villages. One worth noticing feature in these figures is that purchases since the period of the enforcement of price control, licensing, restriction etc. are very low. The average for the period February to June 1959 shows a very low figure compared to the average for the same period in 1958. But the total purchases of paddy for the period September 1958 to January 1959 were found to be higher than the total purchases of paddy for the period September 1957 to January 1958. If the figures provided by the wholesalers traders are supposed to represent the situation in the market it is to be assumed that (1) this year's purchases around the two harvests exceeded the counterpart purchases of last year and (2) the food policy of the government brought about a decrease in the purchases. The greater early purchases of paddy are not due to the early harvesting of crops. To a question whether the respondent thinks that the arrival of paddy is late into the market all except two reported that there is no change in the timing of arrival between last year and this year. Only two of them said that the harvesting of crop is late during the year. It may, hence, be inferred that there is greater rush of purchases around the harvesting period this year than last year, and greater withdrawal from the market after January. It may be noted that among the five that we interviewed 3 command 90% of the quantity purchased and sold.

Rice purchases by wholesalers in this centre are also from outside districts and from Andhra. The biggest dealer in rice who has a branch in Trivandrum evaded information. It is interesting to notice that the purchases of rice by the wholesale dealers far exceeded the purchases of rice during the preceding year. The purchases of rice this year exceed the purchases of last year in most of the months. The purchases of rice particularly in the months of December 1958 and January 1959 are quite striking when compared to the figures in December 1957 and January 1958. This upward trend in the rice purchases can be compared with the figures provided at the railway station. We have already seen that the imports at Tinnevely station were far higher this year than last year.

The statement on sales of rice could be got only from 4 wholesale dealers. The biggest of the five dealers who commanded around 2/3 of the purchased quantity of paddy evaded information on sales of rice. Hence the total figures under purchases of paddy and figures given under sales are not found to be comparable. For this reason the purchases of paddy of the wholesale trader who did not give figures of rice are deducted from the total purchases of the wholesalers under study and they are converted into rice. The adjusted figures of purchases are compared with sales. For 1958-59 the purchases of rice are found to be more or less the same as sales. But in the case of 1957-58 the sales of rice are found to be below the purchases of rice.

We are informed that since the major quantity of the market is commanded by one seller who has a branch in Trivandrum the major quantity got by wholesale traders is channelled to Kerala market through Tinnevely. The dealers complain that the price fixed for one particular variety of rice, which is much in demand in Kerala is too low.

Factors related to the storing of quantity etc.

Questions were asked on factors that have a direct bearing on the quantity of rice stocked. Questions on godowns, loans taken, sources of loans and on the behaviour of the farmers towards sales were put. All the 7 wholesale traders interviewed reported that there was no change in the number and/or the capacity of the godowns. To the question on loans, 3 replied that they took loans in 1958-59 while 4 replied that they did not raise loans. All the three reported that they could borrow less from organised sources in 1958-59 than in 1957-58. Only three out of the 7 wholesale traders reported that farmers are with-holding stocks. Three out of the 7 wholesale traders reported that the prices paid by Kerala trader were higher than the prices paid by them. All the 7 traders reported that they were not able to purchase at controlled rates though some of them said that they could procure a part of their quantity, though small, at controlled prices during the harvest period. The low purchases after the period of February, 1959 were attributed to controls on prices. On the day of the investigation the total stock of the wholesale traders was found to be less than on the same day during the preceding year.

Opinions on high prices of rice

The traders were given the following questions and they were asked to rank them in order of preference. The questions are (a) hoarding by traders, (b) hoarding by farmers, (c) export to Kerala, (d) Government policy of control, (e) lack of facilities for movement, (f) less production, and (g) high costs of farmers on inputs. The results are as follows :

Number of Votes got by :

Preferen- ces in the order of ranks	Hoar- ding by traders	Hoar- ding by far- mers	Export to Kerala	Govt. policy of control	Lack of facilities for move- ment	Less pro- duction	High cost of inputs	Total
1	1	1	Nil	Nil	1	4	Nil	7
2	Nil	1	1	1	4	Nil	Nil	7
3	1	Nil	3	2	1	Nil	Nil	7
4	1	1	2	2	Nil	1	1	8
5	1	Nil	Nil	2	1	1	2	7
6	1	1	1	Nil	Nil	1	2	6
7	2	3	Nil	Nil	Nil	Nil	2	7

It is seen that less production and lack of facilities for movements and exports to Kerala are ranked very high by the traders.

Conclusions on the flow

Our interview with the wholesalers do not indicate that there is a shortage of flow of rice into the Tinnevely market though it is channelled through Tinnevely to Kerala market. Forces of vertical and horizontal integration seem to be in operation in the rice market of Tinnevely.

C. COIMBATORE MARKET CENTRE

Result of wholesale trader schedule

This market centre is different from the two market centres that we studied in a few respects. Unlike the other two market centres which are situated in rice bowls this market centre is situated mostly in a dry area and is dependent upon distant markets for its supplies of rice. We notice another distinguishing feature of this market centre. Unlike in the other two centres, we do not notice a vertical integration of milling operations and wholesale trading operations in this centre on a large scale. All the wholesale traders that we interviewed happen to purchase rice and not paddy. Their local purchases of paddy appear to be minor. At this centre we interviewed 8 wholesale traders.

Almost all the wholesale traders reported that they do not have agents and they make their purchases in the form of rice from mills.

We made a detailed study of the purchases and sales of rice of the wholesale traders for two periods. The first period referred to September 1957 to August 1958, and the second period referred to September 1958 up to the date of investigation in July. Details are got for each month from the wholesaler. The average turnover of a wholesaler per year is around 3,000 bags of rice. The turnover of the smallest wholesaler is around 1,000 while of the biggest is around 4,000. The concentration of rice trade appears to be less in Coimbatore than in Tinnevely.

The analysis of purchases can be made for the 5 month period, *i.e.*, September 1958 to January 1959 and it can be compared with September 1957 to January 1958. A separate analysis can be made for the period starting with February 1959 to June 1959 and the figures can be compared with figures of February 1958 to June 1958. Such a break up will reveal the effects of Government food policy. The total purchases of the 8 wholesalers for the five months period September 1958 to January 1959 were found to exceed the total purchases by the same wholesalers for the periods September 1957 to January 1958. The comparative study of the succeeding 5 month period reveals a different story. The total purchases of these 8 wholesalers for the period February 1959 to June 1959 were found to fall below the total purchases for the same period during last year. This indicates if the facts given by the wholesalers represent the total situation in the market, that there was a greater flow of rice into the market this year than last year before the period of controls. It also appears that the immediate effect of control was towards restricting the purchases of rice.

The total sales figure reveals an interesting story. The total sales for the period September 1958 to June 1959 exceed the sales for the period

September 1957 to June 1958. But when we break up these figures into September—January and February—June we get interesting results. The September-January and February-June we get interesting results. The sales for September 1958 to January 1959 are found to exceed the sales for the period September 1957 to January 1958 while the sales for the February 1959 to June 1959 are below the sales for the same period in 1958. Here also we find the effect of control. We have already seen that in this market centre the retailers reported that they are not able to get adequate stocks from the wholesalers.

The statements pertaining to purchases and sales are shown in the appendix and they are illustrated in the accompanying charts.

Qualitative information is got on factors that are related to stocking of quantity of rice. Opinions of the wholesale traders on the rise in prices are sought. Qualitative information related to stocking pertains to godowns, establishment, credit etc. Most of the wholesale traders interviewed maintain that they did not increase the number of godowns, that their establishment is the same and that they did not borrow from the banks. They maintain that they do not have the competition of Kerala traders. They also report that they are not able to meet the demands of retail traders. All of them rank government policy of control as the major cause of rise in prices.

Conclusions on the pace and pattern of flows

The flow of rice into the market appears to be earlier than last year if one is to judge from the trends of purchases. It has considerably slowed down since the introduction of controls. Since the market is dependent upon outside areas like Tanjore and Andhra for its supply of rice, the restrictions must have affected the flow of rice into the market.

Conclusions on the three market centres

Of the three market centres that we studied, outflows are very significant in the Tanjore market centre, and inflows are negligible. The study of this market centre revealed that the outflows from the market centre, both by rail and road together, were less when compared to the preceding year. Two inferences can be drawn from this : (1) the market centre received less stocks than the preceding year, (2) the market centre received the same, or more stocks than the preceding year, but the traders did not release the stocks. The latter inference can be justified if we find other supporting evidence. The other supporting evidence can be (1) on the marketed quantity of the cultivators, (2) on the facilities like advances on paddy from organised and unorganised sources of credit. Our study of the cultivators indicates that production is less and the marketed quantity is less. Our evidence on facilities of credit is not conclusive. There are less facilities from organised sources. But we do not have data on the extent of credit from unorganised sources, and through self-financing. If less marketed quantity by the cultivators and decrease in facilities of advances from organised sources are sufficient indicators, we have to conclude that the reduced outflows from the market centre do not by themselves indicate withholding of stocks on a large-scale. They only indicate less receipts at the market centre. We found from the data provided by the cultivators that the stocks with them on 1st July, 1959 were double the stocks on 1st July, 1958, in spite of the fall in production.

Inflows and outflows are equally significant at Tinnevely market centre. But, we find, that, in the current year, the inflows at Tinnevely market centre are far in excess of the inflows during the preceding year, while outflows from the market centre by rail are reported to be less during the current year. Evidence from lorry owners and from other informed sources indicates that there has been a considerable shift in the movement of outflow towards Kerala. The villagers also confirm these impressions. It seems reasonable to conclude that Tinnevely market centre did not experience a difficulty in getting adequate flows. We have already seen that the cultivators in Tinnevely villages sold a major portion of the marketed quantity around the harvest period. But in the light of general complaints that there have been many illegal exports to Kerala, and in the light of the evidence that there has been a considerable shift in the movement from rail to road, we are led to infer that this market centre had not only more inflows but there were also more outflows than last year. It is probably, the excess of outflows, which were mostly illegal, that created a difficulty for the retailers to get their stocks replenished.

The study at Coimbatore market centre indicates that the inflows to the market centre were large before the policy of price control and restrictions on movements came into operation. The inflows into Coimbatore were mostly from the other districts, and it is reported that a considerable quantity was channelled to Kerala market through Coimbatore borders. The evidence at the market centre indicates that there are less stocks at present. There is no conclusive proof to establish large unsold stocks with wholesale traders.

SECTION 6

SUMMARY OF THE ENQUIRY

Our enquiry was conducted at two points in space : (1) production centres, (2) marketing centres in the districts of Tanjore, Tinnevely and Coimbatore. For the purposes of study at production centres we chose 12 villages and 107 cultivators. The distribution of the villages among the three districts is as follows : 3 villages and 30 cultivators in Tanjore, 6 villages and 47 cultivators in Tinnevely, and 3 villages and 30 cultivators in Coimbatore. All the villages are irrigated and paddy growing. Greater weightage was given to big holders in the selection of cultivators.

We posed the following questions at the production centre :

- (1) Did the cultivators produce more or less than last year ?
- (2) Did the cultivators sell more or less than last year ?
- (3) Were there changes in the frequency and timing of sales ? Did the cultivators possess more stocks on 1st July, 1959 than on 1st July, 1958 ?
- (4) Were the stocks of cultivators on 1st July, 1959 in excess of the requirements of cultivators (consumption and other disposals except sales) until the subsequent harvest ?

The answers to these questions are given below :—

TANJORE DISTRICT

(1) In two out of the three villages studied there was a decrease in production. Only in one village there was a slight increase in production. The total situation did not reveal an increase in production.

(2) Sales showed a decrease in two out of three villages. Only in one village there was a slight increase in sales. In total, the marketed quantity was less in 1958-59 than in 1957-58. It was less by 20%.

(3) Delayed sales were reported. The stocks on 1st July, 1959 were more than those on 1st July, 1958 in two out of the three villages. The village which had less stock on 1st July, 1959 than on the same date in the preceding year happened to show also a considerable decrease in production. The total situation is one of increased withholding of stocks. The stocks with the cultivators on 1st July, 1959 were more than two times the stocks on 1st July, 1958.

(4) The next harvest in these villages is in September-October. Hence stocks on 1st July, 1959 are related to the requirements until the end of October. Thus viewed, stocks held were not found to be in excess of the requirements in two out of three villages. They were only slightly above the requirements in one village. The figures of requirements, however, need further check up.

TINNEVELLY DISTRICT

(1) Only in two out of the six villages there was an increase in production. In the rest there was a decrease. The total situation revealed no significant changes in production.

(2) Sales showed a decrease in all the villages. The decrease in sales, in total, was around 25%.

(3) The total stocks on 1st July, 1959 were higher than the stocks on 1st July, 1958 in 5 out of the 6 villages. In total, there was an increase around 25%. It may be noted that the mean size of land held by a cultivator under study in Tinnevely is around $2\frac{1}{2}$ times of the mean land of the cultivator under study in Tanjore district. There were delayed sales by big cultivators.

(4) The stocks held by the cultivators on 1st July, 1959 were between $2\frac{1}{2}$ and 3 times of their requirements until the end of October.

COIMBATORE DISTRICT

(1) Production in Coimbatore District in all the three villages under study was less in 1958-59 than in 1957-58. Production showed a decrease by 20%.

(2) Total sales showed a decrease in two out of the three villages. Only in one village there was an increase.

(3) The cultivators held less stocks on 1st July, 1959 than on 1st July, 1958. Two things must be noted in this connection. (i) The average size of the holding of a cultivator that we studied in Coimbatore District is 32.35 acres. The biggest cultivator owned as much as 375.00 acres. Hence the results of the study represent the behaviour of very big cultivators. (ii) The stocks held by these very big cultivators were considerable and are found to be several multiples of their requirements.

(4) Even though the cultivators held less stocks on 1st July, 1959 than on 1st July, 1958 their stocks on 1st July 1958 were found to be excessive when compared to their requirement figures. These requirement figures need further check up.

It may be concluded, taking the total situation in the three districts, that, (1) there was a decline in production, (2) the decline in marketed

quantity was greater than the decline in production when the marketed quantity between April 1958 and March 1959 is compared with the period April 1957 to March 1958, (3) the total stock position on 1st July, 1959 was more or less the same as the total stock position on 1st July, 1958, indicating that there were more delayed sales in 1959 than in 1958, (4) the stocks on 1st July, 1959 were far in excess of the requirements until the end of October, 1959.

These conclusions, it should be emphasised, pertain to very big cultivators as the mean size of land held is 32.35 acres, mostly double-cropped. The small cultivators do not indicate any changes between last year and this year.

We posed certain questions at the marketing centres. Our difficulties in getting information from the wholesale traders were very great. Considerable caution had to be exercised in interpreting the data. At the Tanjore market centre we interviewed 5 wholesale traders. At Tinnevely we interviewed 8, but could procure comparable data only from 3. The biggest wholesale trader, who purchased 22,752 bags of paddy (1957-58) out of 35,721 bags, evaded information on sales. In Coimbatore we interviewed 8. We found forces of vertical and horizontal integration in operation in paddy trade in Tanjore and Tinnevely. The wholesale trader combined his business with processing. We posed the following questions :—

- (1) Did the market centre receive more or less stocks than the preceding year?
- (2) Did the market centre despatch more or less than the preceding year?
- (3) Was there a change in the pace of supplies to the market?
- (4) Were there less or more props to hoarding by wholesale trader?

Tanjore

Of the three market centres, outflows are important and inflows from other districts are negligible in Tanjore. We found that the outflows of rice by rail from Tanjore District were less in 1959 than in 1958. We could not secure any quantitative data on outflows by road. But the lorry owners claim that there had been no change in the volume of transport of rice between 1959 and 1958.

Our data on the purchases and sales of rice by wholesale traders are for the period September 1957 to June 1958, and for September 1958 to June 1959. The total purchases of the wholesale traders showed a decline by about 25% in September 1958—June 1959. The major difference is between the period February 1958 to June 1958, and February 1959 to June 1959.

The total sales of wholesale traders in Tanjore market centre for the period September 1957 to June 1958 and for the period September 1958 to June 1959 were found to be less than the purchases. If we take the closing stocks with the wholesale traders on 31st June, 1959 into consideration, we find them to be not negligible.

Tinnevely.

In Tinnevely both inflows and outflows are significant. The inflows of rice by rail into Tinnevely Station were greater in 1959 than in 1958. The outflows by rail showed a decrease. But large movements of paddy to Kerala were reported by all sections of the public. One of the wholesale traders that we studied has a branch in Trivandrum and this wholesaler happens to be biggest in the market. Integrating all the evidence one gathers the impression that the movements of paddy to and from this centre had been large and brisk. The data of the three wholesale traders that we analysed for purposes of comparison between 1957-58 and 1958-59 show clearly that both the purchases and sales were greater in 1958-59 than in 1957-58. The closing stocks on 31st June, 1959 were also not very significant. We do not see any effect of food policy on the purchases of wholesale traders as we find that their purchases during February, 1959 to June 1959 were more than their purchases for the comparable period during last year.

Coimbatore

The Coimbatore market centre is situated in a dry belt. Inflows from outside stations are vital to this centre. Tanjore rice flows through this centre also to Kerala. Rice is imported from Andhra State also. Arrivals by rail were late this year. They were more significant in May and June. But movements of paddy were reported to be large. The lorry owners, it is said, made more incomes than last year.

The total purchases of the wholesale traders in the period September, 1958 to June, 1959 were a little more than the total purchases from September 1957 to June 1958. We found some significant developments when we broke up the period into September—January and February—June. The purchases of wholesale traders in Coimbatore were higher in September 1958 to January 1959 than the purchases of September 1957 to January 1958. But the purchases of February to June 1959 were less than the comparable purchases in the preceding year.

The sales of September 1958 to June 1959 were more than the sales of the comparable period during the preceding year. The sales for the period September 1958 to January 1959 were more than the sales of the comparable period during the preceding year by about 25%. But the sales of February to June 1959 were slightly less than the sales of the same period during the preceding year.

In conclusion, there is no evidence to say that the inflows and outflows of rice supplies at Coimbatore market centre were less in 1958-59 than in 1957-58. In fact, there is collateral evidence to prove that there is a greater movement during the current year.

*Consolidated Statement on Production, Sales, Stocks and Consumption
Requirements and other Disposals*

Name of the District/Village	No. of cultiva- tors studied	Total production only		Total sales		Total stocks on		Consump- tion and other require- ments until end of Oct. 59	Mean land held by culti- vator (in acres)	Mean consump- tion units per family
		1957-58	1958-59	1957-58	1958-59	1-7-58	1-7-59			
		(in bags of 50 Madras Measures)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tanjore District										
1. Kalyanapuram	10	360.00	273.60	669.12	345.60	140.58	239.35	318.80	8.60	5.5
2. Madigai	10	1,626.00	1,742.50	747.84	835.20	14.59	195.00*	171.36	10.50	6.5
3. Sengipatti	10	411.50	130.00	130.00	20.00	65.00	—19.00	102.00	19.60	5.5
TOTAL	30	2,397.50	2,146.10	1,546.96	1,200.80	220.17	415.35	592.16	12.90	5.8
Tinnevelly District										
1. Seidinganallur	7	916.16	896.00	459.20	416.64	112.56	255.36	162.77	4.30	6.3
2. Karungulam.	8	1,729.28	1,787.52	1,041.60	833.28	—33.74	211.24	250.50	5.90	6.1
3. Satrapudukulam	8	7,898.24	8,149.12	5,308.80	2,907.52	2,366.56	3,570.20	668.00	101.96	9.0
4. Suthamalli	8	848.96	792.96	737.20	721.28	159.88	213.64	200.48	3.94	6.8
5. Rajavallipuram	8	1,962.24	1,890.56	943.04	851.20	244.72	292.04	299.04	22.93	7.6
6. Narasinganallur	8	3,635.52	3,528.00	5,122.88	4,704.00	1,447.04	710.08	355.41	41.63	7.8
TOTAL	47	1,699.40	17,044.16	13,612.72	10,433.92	4,297.02	5,252.56	1,936.20	30.11	7.3

*Consolidated Statement on Production, Sales, Stocks and Consumption
Requirements and other Disposals—contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<i>Coimbatore District</i>										
1. Mudakurichi	.	10	5,120.00	4,000.00	4,376.40	4,736.80	3,825.40	2,596.12	158.67†	54.30 9.8
2. Elamathur	.	10	1,633.60	1,460.00	768.00	868.00	828.24	567.00	125.06	13.20 4.4
3. Sivagiri	.	10	4,042.40	3,136.00	3,412.00	2,500.00	1,241.00	1,612.40	84.27	29.55 6.5
TOTAL	.	30	10,796.00	8,596.00	8,556.40	8,104.80	5,894.64	4,775.52	368.00	32.35 6.9
GRAND TOTAL	.	107	30,183.90	27,786.26	23,716.08	19,739.52	10,411.83	10,443.43	2,896.36	26.37 6.8

*This figure refers to the stock on the date of investigation.

†Costs figures are found to be under-estimates.

*Consolidated statement on purchases and sales of rice by Wholesale Traders
in Tanjore, Tinnevely and Coimbatore Market Centres*

	No. of wholesalers studied	Sept., '57 to Jan., '58	Sept., '58 to Jan., '59	February, '58 to June, '58	February, '59 to June, '59	Total from Sept., '57 to June, '58	Total from Sept. '58 to June, '59
PURCHASES							
Tanjore	5	23,297	19,287	39,256	28,218	62,553	47,505
Tinnevely	3*	1,999	7,360	2,998	4,777	4,997	12,137
Coimbatore	8	9,440	11,710	11,320	9,610	20,760	21,320
TOTAL	16	34,736	38,357	53,574	42,605	88,310	80,962
SALES							
Tanjore	5	19,119	17,989	26,276	18,550	45,395	36,539
Tinnevely	3	1,842	7,025	2,113	4,889	3,955	11,914
Coimbatore	8	9,430	11,810	8,470	8,110	17,900	19,920
TOTAL	16	30,391	36,824	36,859	31,549	67,250	68,373

*We interviewed 8. Out of the 8, only 5 furnished us data on purchases and sales. One out of the five who commanded a major share of the purchases of paddy in Tinnevely market centre evaded information on purchase of rice. Another wholesale trader did not give data on sale of rice.

Village : Kalyanapuram—Tanjore Taluk

TABLE 1—*The frequency of sales of Paddy by cultivators in 1957-58 and 1958-59*

Number of times sold	1957-58		1958-59	
	Number of cultivators	Total quantity sold in bags	Number of cultivators	Total quantity sold in bags
Once	2	17.28	2	14.40
Twice	1	31.68	2	38.40
Thrice . . . . .	..	..	2	153.60
Four times	3	336.96	..	..
Five times	1	74.88	1	139.20
Six times . . . . .	..	..	..	..
Seven times	1	208.32	..	..
TOTAL	8	669.12	7	345.60

TABLE 2—*The timing of the sales by cultivators in the year 1957-58 and 1958-59*

Month	1957-58		1958-59	
	Number of sales in the month	Total quantity sold in bags	Number of sales in the month	Total quantity sold in bags
April	5	247.68	5	129.60
May	2	76.80	1	9.60
June	6	96.00	3	115.20
July	5	84.48	1	14.40
November	5	72.96	5	48.00
March	4	91.20	2	28.80
TOTAL	28	669.12	17	345.60

TABLE 3—*The sales of paddy in the months of April, May and June in the years 1957-58 and 1958-59.*

Period	April, May and June, 1958	April, May and June 1959
Quantity sold in bags	420.48	254.40
Number of sales	13	9

1 bag=50 M.M.

Village : Kalyanpuram,—Tanjore Taluk

TABLE 4—*Production, consumption, marketable and marketed quantities.*

Sl. No. of holding	Paddy Produced + Initial stock + other receipts in kind.	All Disposals except consump- tion and sales	Consumption		1—(2+3b) Market- able Quantity.	Sales	Stock at the end
			Consump- tion Units (3a)	Total consump- tion (3b)			
1957-58							
1.	27.12	15.12	5.0	12.00	..	..	..
2.	48.96	29.76	5.0	19.20	..	..	..
3.	115.20	3.84	4.0	28.80	82.56	39.36	43.20
4.	102.72	25.92	6.0	48.00	28.80	7.68	21.12
5.	173.28	99.84	2.0	14.40	59.04	31.68	27.36
6.	617.28	76.80	6.0	38.40	502.08	208.32	293.76
7.	228.48	28.80	4.0	38.40	161.28	91.20	70.08
8.	526.08	52.80	5.0	48.00	425.28	206.40	218.88
9.	218.88	91.20	7.5	57.60	70.08	9.60	60.48
10.	439.68	227.52	10.0	57.60	154.56	74.88	79.68
TOTAL	2497.68	651.60	54.5	362.40	1483.68	669.12	814.56
1958-59							
1.	25.32	13.20	5.0	12.00	0.12	..	0.12
2.	48.96	27.84	5.0	21.12	..	..	..
3.	94.08	5.76	4.0	28.80	59.52	14.40	45.12
4.	86.40	23.04	6.0	49.92	13.44	4.80	8.64
5.	126.24	80.64	2.0	14.40	31.20	9.60	21.50
6.	524.15	82.56	6.0	38.40	403.20	139.20	264.00
7.	190.08	29.76	4.0	38.40	121.92	43.20	78.72
8.	434.88	54.72	5.0	48.00	332.16	110.40	221.76
9.	170.88	62.40	7.5	57.60	50.88	..	50.88
10.	346.56	205.44	10.0	62.40	78.72	24.00	54.72
TOTAL	2047.56	585.36	54.5	371.04	1091.16	345.50	745.56

All quantities given in bags.

Village : Kalyanapuram—Tanjore Taluk.

TABLE 5—Sales according to marketable quantity and by each month

Marketable Quantity in bags of the cultivator	Sl. No. of the holding	Quantity sold in each month by the cultivator							Total
		April	May	June	July	November	March		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1957-58									
502.08	.	57.60	48.00	55.68	34.56	12.48	..	208.32	
425.28	.	144.00	..	14.40	24.00	24.00	..	206.40	
161.28	.	..	28.80	9.60	14.40	..	38.40	91.20	
154.56	.	19.20	..	11.52	5.76	14.40	24.00	74.88	
82.56	.	9.60	..	4.80	5.76	..	19.20	39.36	
70.08	9.60	9.60	
59.04	.	17.28	..	..	..	14.40	..	31.68
28.80	7.68	..	7.68	
Nil	
Nil	
TOTAL		247.68	76.80	96.00	84.48	72.96	91.20	669.12	

TABLE 5—contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1958-59								
403.20	.	48.00	..	67.20	14.40	9.60	..	139.20
332.16	.	48.00	..	48.00	..	14.40	..	110.40
121.92	.	14.40	9.60	..	..	..	19.20	43.20
78.72	.	14.40	..	..	..	9.60	..	24.00
59.52	.	4.80	..	..	..	..	9.60	14.40
50.88
31.20	9.60	..	9.60
13.44	4.80	..	4.80
0.12
Nil
TOTAL	.	129.60	9.60	115.20	14.40	48.00	28.80	345.60

Village : Madigai—Tanjore Taluk.

TABLE 1—*The frequency of sales of paddy by cultivators in 1957-58 and 1958-59*

1 bag— 50 M.M.

Number of times sold	1957-58		1958-59	
	No. of cultivators	Total quantity sold in bags	No. of cultivators	Total quantity sold in bags.
1	2	7.68	2	257.28
2 . . . . .	..	..	3	247.68
3	5	368.64	4	319.68
4	3	371.52	1	10.56
TOTAL	10	747.84	10	835.20

TABLE 2—*Timing of sales of paddy by cultivators in the years 1957-58 and 1958-59*

Month	1957-58		1958-59	
	No. of sales in the month	Total quantity sold (in bags)	No. of sales in the month	Total quantity sold (in bags)
April	4	137.28	2	182.40
July	1	4.80	..	..
October	9	150.72	9	175.58
November	1	2.88	2	85.44
January . . . . .	..	..	1	107.52
February	9	216.96	7	171.84
March	5	235.20	4	112.32
TOTAL	29	747.84	25	835.20

TABLE 3—*Sales during April, May and June in the years 1958⁸ and 1959*

	1958	1959
	April, May and June	April, May and June
Quantity sold	137.28	182.40
No. of sales	4	2

Village : Madigai—Taluk : Tanjore

TABLE 4—Production, consumption, marketable and marketed quantities

1 bag=50 M.M.

Sl. No.	Paddy produced + initial stock + other receipts in kind	All disposals except consumption & sales	Consumption		Marketable quantity 1—(2+3)	Sales	Stock at the end
			Consumption units	Total consumption			
	(bags)			(bags)		(bags)	(bags)
1957-58							
1.	24.48	2.10	4.5	22.08	0.30	1.92	..
2.	24.36	4.32	2.0	11.52	8.52	5.76	2.76
3.	51.00	22.55	3.5	16.32	12.12	9.60	2.52
4.	102.48	36.48	5.5	27.84	38.16	24.00	14.16
5.	146.40	26.88	5.5	28.80	90.72	52.40	28.32
6.	176.88	49.92	5.5	26.88	100.08	48.96	51.12
7.	266.88	48.00	12.0	76.80	142.08	100.80	41.28
8.	300.96	64.32	13.0	57.60	179.04	115.20	63.84
9.	399.36	105.60	8.0	48.00	245.76	185.28	60.48
10.	459.12	109.44	7.0	57.60	292.08	193.92	98.16
TOTAL	1951.92	469.62	66.5	373.44	1108.86	747.84	362.64
1958-59							
1.	25.44	2.10	4.5	23.04	0.30	1.92	..
2.	26.64	4.40	2.0	11.52	10.72	6.72	4.00
3.	57.12	24.54	3.5	16.32	16.26	10.56	5.70
4.	111.60	37.20	5.5	29.76	44.64	24.00	20.64
5.	153.12	27.60	5.5	28.80	96.72	69.12	27.60
6.	194.16	54.96	5.5	28.80	120.40	53.76	66.64
7.	281.28	52.08	12.0	76.80	152.40	112.32	40.08
8.	337.44	59.36	13.0	57.60	210.48	135.36	75.12
9.	421.44	110.64	8.0	48.00	262.80	204.48	58.32
10.	482.88	113.76	7.0	57.60	311.52	216.96	94.56
TOTAL	2091.12	496.64	66.5	378.24	1226.24	835.20	392.66

Village : Madigai—Tanjore Taluk

TABLE 5—Sales according to marketable quantity and by each month

Sl. No.	Marketable quantity	Quantity sold in each month by the cultivator							Total
		April	July	October	November	January	February	March	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1957-58									
10.	292.08	.	.	.	72.00	..	42.24	72.00	193.92
9.	245.76	.	.	.	..	..	65.28	100.80	185.28
8.	179.04	.	.	.	31.68	..	25.92	19.20	115.20
7.	142.08	.	.	.	..	..	38.40	33.60	100.80
6.	100.08	.	.	.	28.80	..	14.40	..	48.96
5.	90.72	.	.	.	4.80	..	16.32	..	62.40
4.	38.16	.	.	.	..	..	6.72	9.60	24.00
3.	12.12	.	.	.	..	..	..	..	9.60
2.	8.52	.	.	.	..	..	5.76	..	5.76
1.	0.30	.	.	.	..	..	1.92	..	1.92
TOTAL	1108.86	137.28	4.80	150.72	2.88	..	216.96	235.20	747.84

TABLE 5—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1958-59									
10.	311.52	.	.	8.64	..	70.08	48.00	51.84	216.96
9.	262.80	.	.	24.00	..	..	36.48	..	204.48
8.	210.48	.	.	43.20	72.96	..	19.20	..	135.36
7.	152.40	.	.	38.40	..	..	35.52	38.40	112.32
6.	120.40	.	.	5.76	..	24.00	9.60	14.40	53.76
5.	96.72	.	.	41.28	..	6.72	21.12	..	69.12
4.	44.64	.	.	8.64	7.68	..	..	7.68	24.00
3.	16.26	.	.	5.76	4.80	..	..	..	10.56
2.	10.72	.	.	..	..	6.72	..	..	6.72
1.	0.30	.	.	..	..	..	1.92	..	1.92
TOTAL	1226.24	182.40	..	175.68	85.44	107.52	171.84	112.32	835.20

1 bag = 50 M.M.

Village : Sengipatti—Taluk : Tanjore

TABLE 1—Frequency of sales of paddy by cultivators in 1957-58 and 1958-59

1 bag = 50 M.M.

Number of times sold	1957-58		1958-59	
	Number of cultivators	Total quantity sold	Number of cultivators	Total quantity sold
		(in bags)		(in bags)
1.	7	86.00	2	20.00
2.	1	44.00	..	..
TOTAL	8	130.00	2	20.00

TABLE 2—Timing of sales of paddy by cultivators in 1957-58 and 1958-59

Month	1957-58		1958-59	
	No. of sales in the month	Total sold	No. of sales in the month	Total sold
February	2	3.00	..	..
March	6	92.00	1	10.00
April	1	35.00	1	10.00
TOTAL	9	130.00	2	20.00

TABLE 3—Sales of paddy in the months of April, May and June 1958-59 and 1959

	1958	1959
	April, May, June	April, May, June
Quantity sold	35.00	10.00
Number of sales	1	1

Village : Sengipatti—Taluk : Tanjore

TABLE 4—*Production, consumption, marketable and marketed quantities*

Sl. No.	Paddy produced + Initial stocks + other receipts in kind	All disposals except consumption and sale	Consumption		Marketable quantity 1—(2 + 3)	Sales	Stock at the end
			Consumption units	Total consumption			
1957-58							
1.	3.75	0.12	1.0	3.00	0.63	..	..
2.	10.00	1.50	2.5	6.00	2.50	1.00	1.50
3.	30.00	6.00	3.5	14.00	10.00	4.00	6.00
4.	16.00	3.00	5.5	28.00	..	..	..
5.	48.50	6.00	3.0	15.00	27.50	14.00	13.50
6.	28.00	3.00	8.0	23.00	2.00	2.00	..
7.	42.00	6.00	4.5	25.00	11.00	10.00	1.00
8.	113.00	13.00	7.5	42.00	58.00	20.00	38.00
9.	158.00	18.00	10.5	57.00	83.00	35.00	48.00
10.	213.00	37.00	8.5	55.00	121.00	44.00	77.00
TOTAL	662.25	93.62	54.5	268.00	315.63	130.00	185.00
1958-59							
1.	3.00	..	1.0	3.00	..	..	..
2.	6.50	0.33	2.5	6.00	0.50	..	0.50
3.	15.50	0.50	3.4	15.00	0.50	..	0.50
4.	30.25	0.25	5.5	30.00	0.25	..	0.25
5.	16.75	0.50	3.0	15.00	1.25	..	1.25
6.	25.50	0.50	8.0	25.00	0.50	..	0.50
7.	26.00	1.00	4.5	25.00	1.00	..	1.00
8.	51.50	2.00	7.5	45.00	6.50	..	6.50
9.	79.00	3.00	10.5	60.00	19.00	10.00	9.00
10.	118.00	14.00	8.5	60.00	58.00	10.00	48.00
TOTAL	371.50	22.08	54.5	284.00	87.50	20.00	67.50

All quantities given in bags. 1 bag = 50 M.M.

Village : Sengipatti—Taluk : Tanjore

TABLE 5 —Sales according to marketable quantity and by each month
1957-58 and 1958-59

Sl. No.	Marketable Quantity	quantity sold in each month by the cultivator			Total
		February	March	April	
1957-58					
10.	121·00	..	44·00	..	44·00
9.	83·00	..	..	35·00	35·00
8.	58·00	..	20·00	..	20·00
5.	27·50	..	14·00	..	14·00
7.	11·00	..	10·00	..	10·00
3.	10·00	..	4·00	..	4·00
2.	2·50	1·00	..	..	1·00
1.	0·63	..	..	..	..
4.	..	..	..	..	..
6.	2·00	2·00	..	..	2·00
TOTAL	313·63	3·00	92·00	35·00	130·00
1958-59					
10.	58·00	..	10·00	..	10·00
9.	19·00	..	..	10·00	10·00
8.	6·50	..	..	..	..
5.	1·25	..	..	..	..
7.	1·00	..	..	..	..
3.	0·50	..	..	..	..
2.	0·50	..	..	..	..
1.	0·50	..	..	..	..
4.	0·25	..	..	..	..
6.	..	..	..	..	..
TOTAL	87·50	..	10·00	10·00	20·00

1 bag=50 M.M.

Village : Seidinganallur—Taluk : Srivaikuntam

TABLE 1—*The frequency of sales of paddy by cultivators*

1 bag = 50 M.M.

No. of times sold	1957-58		1958-59	
	No. of cultivators	Total qty. sold (in bags)	No. of cultivators	Total qty. sold (in bags)
Once . . . . .	..	..	1	8.96
Twice	4	459.20	4	407.68
TOTAL	4	459.20	5	416.64

TABLE 2—*The timing of sales by cultivators*

Month	1957-58		1958-59	
	No. of sales in the month	Total quantity sold	No. of sales in the month	Total quantity sold
April . . . . .	..	..	..	..
July . . . . .	..	..	..	..
October	4	201.60	4	208.32
November . . . . .	..	..	..	..
January . . . . .	..	..	..	..
February . . . . .	..	..	..	..
March	4	257.60	5	208.32
TOTAL	8	459.20	9	416.64

TABLE 3—*Sales during April, May and June*

	1958	1959
	April, May, June	April, May, June
Quantity sold
No. of sales

Village: Seidinganallur—Taluk: Srivaikuntam

TABLE 4—*Production, consumption, marketable and marketed quantities*

Sl. No. of holdings	Paddy produced + Initial stock + other receipts in kind	All dispo- sals except consump- tion and sales	Consumption		Marketable quantity 1—(2+3)	Sales (bags)	Stock at the end (in bags)
			Consump- tion units	Total consump- tion			
1957-58							
1.	296.80	45.92	6.5	33.60	217.28	179.20	38.08
2.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	290.08	80.64	8.5	56.00	153.44	94.08	59.36
4.	240.80	26.88	8.5	53.76	160.16	118.72	41.44
5.	146.72	6.72	8.5	47.04	92.96	67.20	25.76
6.	82.88	3.36	10.0	53.76	25.76	..	25.76
7.	68.32	2.24	5.0	40.32	25.76	..	25.76
8.	36.96	2.24	3.0	20.16	14.55	..	14.56
TOTAL	1,162.56	168.00	50.0	304.64	689.92	459.20	230.72
1958-59							
1.	332.64	48.16	6.5	33.60	250.88	168.00	82.88
2.	N.A.	N.A.	..	..	..	..	..
3.	333.76	82.88	8.5	56.00	194.88	89.60	105.28
4.	225.12	38.08	8.5	53.76	133.28	82.88	50.40
5.	159.04	6.72	8.5	47.04	105.28	67.20	38.08
6.	108.64	3.36	10.0	53.76	51.52	8.96	42.56
7.	81.76	2.24	5.0	40.32	39.20	..	39.20
8.	41.44	2.24	3.0	20.16	19.04	..	19.04
TOTAL	1282.40	183.68	50.0	304.64	794.08	416.64	377.44

Village : Seidinganallur—Taluk : Srivaikuntam

TABLE 5—Sales according to marketable quantity and by each month

Serial No.	Market- able quantity	Quantity sold in each month (in bags)		Total
		October	March	
1957-58				
1.	217.28	89.60	89.60	179.20
2.	..	..	..	..
3.	153.44	40.32	53.76	94.08
4.	160.16	44.80	73.92	118.72
5.	92.96	26.88	40.32	67.20
6.	25.76	..	..	..
7.	25.76	..	..	..
8.	14.56	..	..	..
TOTAL		689.92	201.60	459.20
1958-59				
1.	250.88	100.80	67.20	168.00
2.	..	..	..	..
3.	194.88	33.60	56.00	89.60
4.	133.28	47.04	35.84	82.88
5.	105.28	26.88	42.32	67.20
6.	51.52	..	8.96	8.96
7.	39.20	..	..	..
8.	19.04	..	..	..
TOTAL		794.08	208.32	416.64

Village : Kurungulam—Taluk : Srivaikuntam

TABLE 1—The frequency of sales of paddy by cultivators in Kurungulam in 1957-58 and 1958-59

(in Bags)

Number of times sold	1957-58			1958-59		
	Number of Cultivators	Total qty. sold		Number of Cultivators	Total qty. sold	
4	6	1064.04		6	833.28	

TABLE 2—Timing of sales by cultivators in 1957-58 and 1958-59

Month	1957-58		1958-59	
	No. of sales in the month	Total sold (in bags)	No. of sales in the month	Total sold (in bags)
October	12	537·64	12	483·84
March	12	526·40	12	349·44
TOTAL	24	1064·04	24	833·28

TABLE 4—Production, consumption, marketable and marketed quantities

S. No.	Paddy produced + initial stock and + other receipts in kind	All the disposals except consumption and sales	Consumption		Marketable quantity 1—(2+3)	Sales	Stock at the end
			Consumption units	Total consumption			
1957-58							
1.	38·48	5·60	5·0	28·00	4·88	..	4·88
2.	36·24	2·24	4·0	26·88	7·12	..	7·12
3.	133·84	16·80	6·0	33·60	83·44	71·68	11·76
4.	141·12	82·88	6·0	40·32	17·92	17·92	..
5.	250·32	60·48	8·5	31·36	158·48	120·96	37·52
6.	253·41	59·36	6·0	26·88	167·17	134·40	32·77
7.	539·28	150·08	5·5	26·88	362·32	394·44	13·88
8.	553·57	119·84	8·0	40·32	393·41	347·20	46·21
TOTAL	1946·26	497·28	49·0	254·24	1194·74	1041·60	154·14
1958-59							
1.	45·98	5·60	5·0	28·00	12·38	..	12·38
2.	36·69	2·24	4·0	26·88	7·57	..	7·57
3.	138·32	16·80	6·0	33·60	87·92	51·52	36·40
4.	141·12	82·88	6·0	40·32	17·92	17·92	..
5.	231·57	60·48	8·5	31·36	139·73	114·24	25·49
6.	258·16	59·36	6·0	26·88	171·92	138·88	33·04
7.	514·08	147·84	5·5	26·88	366·24	147·84	218·40
8.	588·00	119·84	8·0	40·32	427·84	362·88	64·96
TOTAL	1953·92	495·04	49·0	254·24	1231·52	833·28	398·24

Village : Karungulam—Taluk : Srivaikuntam

TABLE 5—Sales according to marketable quantity and by each month.

Sl. No. of Holding	Marketable quantity (in bags)	Quantity sold in each month		Total
		October	March	
1957-58				
8.	393.41	163.52	183.68	347.20
7.	362.32	151.28	188.16	349.44
6.	167.17	78.40	56.00	134.40
5.	158.48	62.72	58.24	120.96
3.	83.48	35.84	35.84	71.68
4.	17.92	13.44	4.48	17.92
2.	7.12	..	..	..
1.	4.88	..	..	..
TOTAL	1194.74	515.20	526.40	1041.60
1958-59				
8.	427.84	183.68	179.20	362.88
7.	366.24	129.92	17.92	147.84
6.	171.92	71.68	67.20	138.88
5.	139.73	53.76	60.48	114.24
3.	87.93	38.08	13.44	51.52
4.	17.92	6.72	11.20	17.92
1.	12.38	..	..	..
2.	7.57	..	..	..
TOTAL	1231.52	483.84	394.44	833.28

1 Bag = 50 M.M.

Village: Satrampudukulam—Taluk: Tinnevely

TABLE 1—Frequency of sales by cultivators in 1957-58 and 1958-59

No. of times sold	1957-58		1958-59	
	Number of cultivators	Total quantity sold	Number of cultivators	Total quantity sold
Twice	3	360.54	1	56.00
Thrice	2	456.96	5	1,753.92
Four times	2	1,265.60	1	784.00
Five times	..	..	1	313.60
Six times	1	3,225.60	..	..
TOTAL	8	5,308.80	8	2,907.52

TABLE 2—*The timings of sales by cultivators in 1957-58 and 1958-59*

Month	1957-58		1958-59	
	No. of sales in the month	Total quantity sold	No. of sales in the month	Total quantity sold
April	2	1,008·00	1	67·20
May	1	672·00	..	..
June	1	44·80	1	22·40
October	5	1,180·48	7	1,164·80
November	5	739·20	8	891·52
December	1	78·40	1	33·60
January	2	176·96	1	112·00
March	8	1,408·96	7	616·00
TOTAL	26	5,308·80	26	2,907·52

TABLE 3—*Sales of paddy in the months of April, May, June 1958 and 1959*

	1958	1959
	April, May, June	April, May, June
Quantity sold (in bags)	89·60	1,579·20
Number of sales	2	12

Village : Satrampudukulam—Taluk : Tinnevely

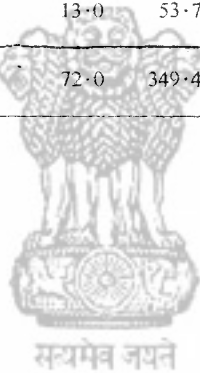
TABLE 4—*Production, consumption marketable and marketed quantities (In bags)*

Sl. No.	Paddy produced + initial stock + other receipts in kind	All disposals except consump- tion and sales	Consumption		Market- able quantity 1—(2+3)	Sales	Stock at the end
			Consump- tion units	Total consump- tion			
1957-58							
1.	304.64	78.40	3.5	26.88	199.36	120.96	78.40
2.	392.00	91.84	15.5	67.20	232.96	161.28	71.58
3.	389.76	255.36	8.5	53.76	80.64	53.76	26.88
4.	918.40	140.00	5.0	40.32	738.08	380.80	357.28
5.	329.28	79.52	6.0	31.36	218.40	145.60	72.80
6.	1,599.36	268.80	10.5	40.32	1,290.24	884.80	405.44
7.	5,519.36	472.64	10.0	35.84	5,010.88	3,225.60	1,785.28
8.	692.16	168.00	13.0	53.76	470.40	336.00	134.40
TOTAL	10,144.96	1,554.56	72.0	349.44	8,240.96	5,308.80	2,932.16

Village : Starmpudukulam—Taluk: Tinnevelly

TABLE 4—*Production, consumption, marketable and marketed quantities—contd.*

1958-59							
1	313·60	85·12	3·5	26·88	201·60	112·00	89·60
2	409·92	98·56	15·5	67·20	244·16	134·40	109·76
3	409·92	259·84	8·5	53·76	96·32	56·00	40·32
4	882·56	151·20	5·0	40·32	691·04	313·60	377·44
5	353·92	84·00	6·0	31·36	238·56	118·72	119·84
6	1,729·28	268·80	10·5	40·32	1,420·16	784·00	636·16
7	5,664·96	515·20	10·0	35·84	5,113·92	1,008·00	4,105·92
8	797·44	191·52	13·0	53·76	552·16	380·80	171·36
TOTAL	10,561·60	1,654·24	72·0	349·44	8,557·92	2,907·52	5,650·40



Village: Satrapudukulam—Taluk: Tinnevely.

TABLE 5—Sales according to marketable quantity and by each month

Marketable Quantity of the cultiva- tor (in bags)	Sl. No. of holding	Quantity sold in each month by the cultivator (in bags)									
		April	May	June	October	November	December	January	March	Total	
1957-58											
5010-88	7	896-00	672-00	..	560-00	425-60	..	..	672-00	3225-60
1290-24	6	..	..	..	336-00	112-00	..	168-00	268-80	884-80
730-08	4	112-00	..	44-80	112-00	..	..	..	112-00	380-80
470-40	8	..	..	..	..	112-00	78-40	..	145-60	336-00
232-96	2	..	..	..	..	89-60	..	..	71-68	161-28
218-40	5	..	..	..	78-40	..	..	..	67-20	145-60
199-36	1	..	..	..	67-20	..	..	8-96	44-80	120-96
80-64	3	..	..	..	26-88	..	..	..	26-88	53-76
TOTAL		1008-00	672-00	44-80	1180-48	739-20	78-40	176-96	1408-96	5308-80	
1958-59											
5113-92	7	..	..	..	448-00	560-00	..	..	..	1008-00
1420-16	6	..	..	..	336-00	112-00	..	112-00	224-00	784-00
691-04	4	67-20	..	22-40	112-00	22-40	..	..	89-60	313-60
552-16	8	..	..	..	134-40	89-60	..	..	156-80	380-80
244-16	2	..	..	..	..	56-00	33-60	..	44-80	134-40
238-56	5	..	..	..	44-80	29-12	..	..	44-80	118-72
201-60	1	..	..	..	56-00	22-40	..	..	33-60	112-00
96-32	3	..	..	..	33-60	..	..	..	22-40	56-00
TOTAL		67-20	..	22-40	1164-80	891-52	33-60	112-00	616-00	2907-52	

Except when otherwise stated, a bag = 50 Madras measures, in all the Tables given in the Report for Madras State.

Village : Suthamalli—Taluk : Tinnevely.

TABLE 1—*Frequency of sales by cultivators in 1957-58 and 1958-59*

No. of times sold	1957-58		1958-59	
	No. of cultivators	Total Qty. sold (in bags)	No. of cultivators	Total Qty. sold (in bags)
Once . . . . .	..	..	..	..
Twice	4	371·84	4	367·36
Thrice . . . . .	..	..	..	..
4 times	2	232·96	1	179·20
5 times	1	42·56	2	89·60
6 times	1	91·84	1	85·12
TOTAL	8	739·20	8	721·28

TABLE 2—*Showing timing of sales by cultivators in 1957-58 and 1958-59.*

Months	1957-58		1958-59	
	No. of sales in the month	Total sold (in bags)	No. of sales in the month	Total sold (in bags)
April	3	51·52	3	42·56
May	5	112·00	5	107·52
September	7	230·72	8	311·36
October	3	94·08	2	13·44
January	3	42·56	3	29·12
February . . . . .	..	..	2	22·40
March	6	208·32	5	194·88
TOTAL	27	739·20	28	721·28

TABLE 3—*Sales of paddy in the month of April, May and June 1958 and 1959.*

	1958 April, May, June	1959 April, May, June
Quantity sold (in bags)	150·08	45·92
No. of sales	8	3

Village : Suthamalli—Taluk : Tinnevely.

TABLE 4—*Production, consumption, marketable and marketed quantities.*

Sl. No.	Paddy produced + Initial stock + other receipts in kind	All dis- posals except sales and consump- tion	Consumption		Market- able quantity 1—(2+3)	Sales	Stock at the end
			Consump- tion units	Total consump- tion			
1957-58							
1	268.80	4.48	9.0	56.00	208.32	156.80	51.52
2	344.96	8.96	11.5	56.00	280.00	170.24	109.76
3	129.92	44.80	4.5	33.60	51.52	22.40	29.12
4	129.92	17.92	3.0	22.40	89.60	53.76	35.84
5	118.72	16.80	5.0	33.60	68.32	42.56	25.76
6	347.20	13.44	10.0	53.76	280.00	179.20	100.80
7	351.68	159.04	3.0	22.40	170.24	81.84	78.40
8	109.76	13.44	7.0	44.80	51.52	22.40	29.12
TOTAL	1,800.96	278.88	53.00	322.56	1,199.52	739.20	460.32
1958-59							
1	268.80	4.48	9.0	56.00	208.32	156.80	51.52
2	340.48	8.96	11.5	56.00	275.52	170.24	105.28
3	123.20	44.80	4.5	33.60	44.80	22.40	22.40
4	116.48	17.92	3.0	22.40	76.16	53.76	22.40
5	105.28	17.92	5.0	33.60	53.76	35.84	17.92
6	336.00	13.44	10.0	53.76	268.80	179.20	89.60
7	344.96	159.04	3.0	22.40	163.52	85.12	78.40
8	98.56	13.44	7.0	44.80	40.32	17.92	22.40
TOTAL	1,733.76	280.00	53.0	322.56	1,131.20	721.28	409.92

Village: Suthamali—Taluk: Tinnevely.

TABLE 5—Sales according to marketable quantity and by each month

Serial No. of holding	Marketable quantity of the cultivators	Quantity sold each month by the cultivator							Total
		April	May	September	October	January	February	March	
1957-58									
2	280.00	..	..	85.12	..	..	..	85.12	170.24
6	280.00	..	..	89.60	..	..	..	89.60	179.20
1	208.32	..	78.40	..	78.40	..	..	..	156.80
7	170.24	22.40	17.92	22.40	8.96	20.16	..	..	91.84
4	89.60	17.92	8.96	11.20	..	15.68	..	..	53.76
5	68.32	11.20	6.72	..	6.72	6.72	..	11.20	42.56
3	51.52	..	..	11.20	..	..	..	11.20	22.40
8	51.52	..	..	11.20	..	..	..	11.20	22.40
TOTAL		51.52	112.00	230.72	94.08	42.56	..	208.32	739.20
1958-59									
2	275.52	..	..	85.12	..	..	..	85.12	170.24
6	268.80	..	..	89.60	..	..	..	89.60	179.20
1	208.32	..	78.40	78.40	..	..	..	..	156.80
7	163.52	17.92	17.92	20.16	8.96	20.16	..	..	85.12
4	76.16	15.68	4.48	17.92	..	4.48	11.20	..	53.76
5	53.76	8.96	6.72	..	4.48	4.48	11.20	..	35.84
3	44.80	..	..	11.20	..	..	..	11.20	22.40
8	40.32	..	..	8.96	..	..	..	8.96	17.92
TOTAL		42.56	107.52	311.36	13.44	29.12	22.40	194.88	721.28

Village : Rajavallipuram—Taluk : Tinnevely.

TABLE 1—*The frequency of sales of paddy by cultivators in 1957-58 and 1958-59*

1 Bag=50 M.M.

Number of times sold	1957-58		1958-59	
	No. of cultivators	Total qty. sold (in bags)	No. of cultivators	Total qty. sold (in bags)
Once	1	15·68	..	..
Twice	5	535·36	5	465·92
Thrice	2	392·00	3	385·28
TOTAL	8	943·04	8	851·20

TABLE 2—*Timing of sales of paddy by cultivators in 1957-58 and 1958-59*

Month	1957-58		1958-59	
	No. of sales in the month	Total Qty. sold (in bags)	No. of sales in the month	Total Qty. sold (in bags)
September	1	161·28	1	156·80
October	7	338·24	7	282·24
November	2	67·20	2	67·20
March	7	376·32	9	344·96
April . . . . .	..	..	..	..
TOTAL	17	943·04	19	851·20

TABLE 3—*Sales of Paddy in the months of April, May and June, 1958 and 1959*

	1958 April, May, June	1959 April, May, June
Qty. sold (in bags)	Nil	39·20
No. of sales . . . . .	..	3

Village : Rajavallipuram—Taluk : Tinnevely.

TABLE 4—*Production, consumption, marketable and marketed quantities.*

1 Bag=50 M.M.							
Sl. No. of holdings	Paddy produced Initial stock other receipts in kind	All dis- posals except consump- tion & sales	Consumption		Market- able quantity (in bags) 1--(2 : 3)	Sales (in bags)	Stock at the end (in bags)
			Consump- tion units	Total consump- tion			
1957-58							
1	103.04	22.40	6.5	33.60	47.04	17.92	29.12
2	143.36	108.64	6.0	33.60	1.12	15.68	..
3	185.92	31.36	4.5	31.36	123.20	85.12	38.08
4	185.92	44.80	5.5	29.12	112.00	78.40	33.60
5	336.00	98.56	3.0	24.64	212.80	168.00	44.80
6	620.48	151.20	5.0	26.88	442.40	273.28	169.12
7	468.16	78.40	13.5	53.76	336.00	224.00	112.00
8	219.52	35.84	16.5	67.20	116.48	80.64	35.84
TOTAL	2,262.40	571.20	60.5	300.16	1,391.04	943.04	462.56
1958-59							
1	100.80	22.40	6.5	33.60	44.80	13.44	31.36
2	150.08	108.64	6.0	33.60	7.84	17.92	..
3	188.16	31.36	4.5	31.36	125.44	89.60	35.84
4	206.08	49.28	5.5	29.12	127.68	78.40	49.28
5	353.92	107.52	3.0	24.64	221.76	134.40	87.36
6	628.32	152.32	5.0	26.88	449.12	268.80	180.32
7	417.76	85.12	13.5	53.76	278.88	172.48	106.40
8	248.64	40.32	16.5	67.20	141.12	76.16	64.96
TOTAL	2,293.76	596.96	60.5	300.16	1,396.64	851.20	555.52

Village: Rajavallipuram—Taluk: Tinnevely.

TABLE 5—Sales according to marketable quantity and by each month—1957-58 and 1958-59

Serial No. of holdings	Marketable quantity of the cultivators	Quantity sold in each month by the cultivator (in Bags)				Total
		September	October	November	March	
1957-58						
6.	442.40	161.28	..	..	112.00	273.28
7.	336.00	..	112.00	22.40	89.60	224.00
5.	212.80	..	56.00	44.80	67.20	168.00
3.	123.20	..	53.76	..	31.36	85.12
8.	116.48	..	44.80	..	35.84	80.64
4.	112.00	..	44.80	..	33.60	78.40
1.	47.04	..	11.20	..	6.72	17.92
2.	1.12	..	15.68	..	..	15.68
TOTAL		161.28	338.24	67.20	376.32	943.04
1958-59						
6.	449.12	156.80	..	..	112.00	268.80
7.	278.88	..	80.64	..	91.84	172.48
5.	221.76	..	44.80	44.80	44.80	134.40
8.	141.12	..	44.80	..	31.36	76.16
4.	127.68	..	33.60	22.40	22.40	78.40
3.	125.44	..	56.00	..	33.60	89.60
1.	44.80	..	8.96	..	4.48	13.44
2.	7.84	..	13.44	..	4.48	17.92
TOTAL		156.80	282.24	67.20	344.96	851.20

Village : Narasinganallur—Taluk : Tinnevely.

TABLE 1—*The frequency of sales of paddy by cultivators in 1957-58 and 1958-59*

Number of times sold	1957-58		1958-59	
	No. of cultivators	Total qty. sold (in bags)	No. of cultivators	Total qty. sold (in bags)
Once . . . . .	..	..	..	..
Twice	5	1,447.04	5	1,406.72
Thrice . . . . .	..	..	..	..
4 times . . . . .	..	..	..	..
5 times	2	3,675.84	2	3,297.28
TOTAL	7	5,122.88	7	4,704.00

TABLE 2—*The timing of sales of paddy by cultivators in 1957-58 and 1958-59*

Month	1957-58		1958-59	
	No. of sales in the month	Total Qty. sold (in bags)	No. of sales in the month	Total Qty. sold (in bags)
May	2	963.20	3	1,328.32
June	4	757.12	4	1,140.16
July	1	1,097.60	..	..
September	3	481.60	3	481.60
October	1	44.80	1	78.40
December	1	672.00	..	..
January	3	344.96	5	1,014.72
February	2	313.60	1	224.00
March	3	448.00	3	436.80
TOTAL	20	5,122.88	20	4,704.00

TABLE 3—*The sales of paddy in the months of April, May and June in the years 1958 and 1959*

Period	April, May & June 1958	April, May & June 1959
Quantity sold in bags	1,720.32	2,468.48
No. of sales	6	7

Village : Narasinganallur—Taluk : Tinnevely.

TABLE 4—*Production, consumption, marketable and marketed quantities*

Sl. No. of holding	Paddy produced + initial stock + other receipts in kind	All dis- posals except consump- tion and sales	Consumption		Market- able quantity 1—(2+3)	Sales	Stock at the end
			Consump- tion units	Total consump- tion			
1957-58							
1.	76·16	2·24	5·5	44·80	29·12	..	29·12
2.	297·92	11·20	2·5	22·40	264·32	185·92	78·40
3.	376·32	56·00	9·5	44·80	275·52	190·40	85·12
4.	694·40	44·80	6·5	44·80	604·80	338·24	266·56
5.	566·72	78·40	7·0	56·00	432·23	331·52	100·80
6.	1,052·80	134·40	13·5	78·40	840·00	448·00	392·00
7.	779·52	112·00	12·0	67·20	600·32	291·20	309·12
8.	5,779·20	201·60	6·0	67·20	5,510·40	3,337·60	2,172·80
TOTAL	9,623·04	640·64	62·5	425·60	8,556·80	5,122·88	3,433·92
1958-59							
1.	73·92	2·24	5·5	44·80	26·88	..	26·88
2.	297·92	11·20	2·5	22·40	264·32	185·92	78·40
3.	371·84	56·00	9·5	44·80	271·04	224·00	47·04
4.	649·60	44·80	6·5	44·80	560·00	210·56	349·44
5.	533·12	78·40	7·0	56·00	398·72	302·40	96·32
6.	1,041·60	134·40	13·5	78·40	828·80	448·00	380·80
7.	719·04	112·00	12·0	67·20	539·84	246·40	293·44
8.	5,528·32	201·60	6·0	67·20	5,259·52	3,086·72	2,172·80
TOTAL	9,215·36	640·64	62·5	425·60	8,149·12	4,704·00	3,445·12

Village: Narasinganallur—Taluk: Tinnevely.

TABLE 5—Sales according to marketable quantity and by each month

Marketable quantity of the cultivator (in bags)	Serial No. of holding	Quantity sold in different months										Total
		May	June	July	Sept.	Oct.	Dec.	Jan.	Feb.	March		
1957-58												
5510.40	8	896.00	448.00	1097.60	..	..	672.00	..	224.00	..	3337.60
840.00	6	..	..	..	235.20	..	..	..	..	212.80	448.00
604.80	4	67.20	56.00	..	..	44.80	..	80.64	89.60	..	338.24
600.32	7	..	..	..	134.40	..	..	..	..	156.80	291.20
432.32	5	..	156.80	..	..	..	..	174.72	..	..	331.52
275.52	3	..	..	..	112.00	..	..	..	..	78.40	190.40
264.32	2	..	96.32	..	..	..	..	89.60	..	..	185.92
29.12	1	..	..	..	..	..	..	..	..	..	..
TOTAL		963.20	757.12	1097.60	481.60	44.80	672.00	344.96	313.60	448.00	5122.88	
1958-59												
5259.52	8	1317.12	873.60	..	..	..	..	672.00	224.00	..	3086.72
828.80	6	..	..	..	235.20	..	..	..	..	212.80	448.00
560.00	4	11.20	13.44	..	..	78.40	..	107.52	..	..	210.56
539.84	7	..	..	..	134.40	..	..	..	..	112.00	246.40
398.72	5	..	156.80	..	..	..	..	145.60	..	..	302.40
271.04	3	..	..	..	112.00	..	..	..	..	112.00	224.00
264.32	2	..	96.32	..	..	..	..	89.60	..	..	185.92
26.88	1	..	..	..	..	..	..	..	..	..	..
TOTAL		1328.32	1140.16	..	481.60	78.40	..	1014.72	224.00	436.80	4704.00	

1 bag=50 M.M.

Village : Mudakkurichi—Taluk : Erode.

TABLE 1—*The frequency of sales of paddy by cultivators in Mudakkurichi Village*

Number of times sold	1957-58		1958-59	
	Number of cultivators	Total Qty. sold (in bags)	Number of cultivators	Total Qty. sold (in bags)
1957-58				
Once . . . . .	..	..	..	..
Twice	1	16·00	1	24·00
Thrice	6	4,210·80	5	160·80
4 times	3	149·60	4	4,552·00
TOTAL	10	4,376·40	10	4,736·80

TABLE 2—*The timing of sales of paddy by cultivators in 1957-58 and 1958-59*

Month	1957-58		1958-59	
	Number of sales in the month	Total Qty. sold (in bags)	Number of sales in the month	Total Qty. sold (in bags)
April	1	12·00	2	11·20
May	1	1·60	1	4·00
June	1	1·60	2	5·28
July	4	144·00	3	88·00
August . . . . .	..	..	1	12·00
September	1	8·00	..	..
October	5	1,247·20	3	1,232·00
December	4	72·00	5	1,384·00
January	5	1,445·20	3	20·32
February	5	72·00	7	1,364·00
March	5	1,372·80	6	616·00
TOTAL	32	4,376·40	33	4,736·80

TABLE 3—*Sales of paddy in the months of April, May and June in 1958 and 1959*

	April, May & June 1958	April, May & June 1959
Quantity sold in bags	15·20	20·48
Number of sales	3	5

Village : Mudakkurichi—Taluk : Erode.

TABLE 4—*Production, consumption, marketable and marketed quantities*

Sl. No. of holding	Paddy produced + Initial stock + other receipts in kind	All dis- posals except consump- tion & sales	Consumption		Market- able quantity 1—(2+3)	Sales	Stock at the end
			Consump- tion units	Total consump- tion			
1957-58							
1.	113.20	3.20	5.5	14.40	95.60	64.00	31.60
2.	70.00	6.40	7.5	14.40	49.20	44.00	5.20
3.	118.40	3.20	4.0	14.40	100.80	41.60	59.20
4.	39.20	4.00	6.0	12.80	22.40	9.20	13.20
5.	60.00	2.40	7.5	16.00	41.60	9.60	32.00
6.	48.00	1.60	4.5	14.40	32.00	16.00	16.00
7.	95.20	2.40	6.0	14.40	78.40	64.00	14.40
8.	768.00	24.00	23.0	48.00	696.00	464.00	232.00
9.	768.00	24.00	23.5	48.00	696.00	464.00	232.00
10.	6,732.00	160.00	10.0	48.00	6,524.00	3,200.00	3,324.00
TOTAL	8,812.00	231.20	97.5	244.80	8,336.00	4,376.40	3,959.60
1958-59							
1.	101.20	3.20	5.5	14.40	83.60	72.00	11.60
2.	71.20	4.64	7.5	14.40	52.16	24.00	28.16
3.	105.20	3.20	4.0	14.40	87.60	40.00	47.60
4.	58.00	5.20	6.0	12.80	40.00	8.80	31.20
5.	52.80	2.40	7.5	16.00	34.40	32.00	2.40
6.	41.04	1.60	4.5	14.40	25.04	24.00	1.04
7.	86.40	2.40	6.0	14.40	69.60	56.00	13.60
8.	696.00	24.00	23.0	48.00	624.00	440.00	184.00
9.	696.00	24.00	23.5	48.00	624.00	440.00	184.00
10.	6,040.00	160.00	10.0	48.00	5,832.00	3,600.00	2,232.00
TOTAL	7,943.84	230.64	97.5	244.80	7,472.40	4,736.80	2,735.60

Village: Mudakkurichi—Taluk: Erode.

TABLE 5—Sales according to marketable quantity and by each month

Marketable quantity of cultivator (in bags)	Sl. No. of the holding	Quantities sold during different months (bags)										Total	
		April	May	June	July	Aug.	Sept.	Oct.	December	January	February		March
1957-58													
6524-00	10	..	..	..	64-00	..	..	1200-00	..	1200-00	..	800-00	3200-00
696-00	9	..	..	..	64-00	..	..	1200-00	..	120-00	..	280-00	464-00
696-00	8	..	..	1-60	..	..	8-00	1200-00	32-00	120-00	..	280-00	464-00
100-80	3	..	..	..	..	..	..	16-00	8-00	..	40-00	..	41-60
95-60	1	..	..	..	..	..	..	24-00	32-00	..	8-00	..	64-00
78-40	7	..	..	..	8-00	..	..	3-20	..	..	24-00	..	64-00
49-20	2	12-00	..	..	..	..	..	..	..	..	..	..	44-00
41-60	5	..	1-60	..	8-00	..	..	..	..	..	..	4-80	9-60
32-00	6	..	..	..	8-00	..	..	4-00	..	5-20	..	8-00	16-00
22-40	4	..	..	..	..	..	..	..	..	..	..	..	9-20
TOTAL		12-00	1-60	1-60	144-00	..	8-00	1247-20	72-00	1445-20	72-00	1372-80	4376-40
1958-59													
5832-00	10	..	..	..	40-00	..	..	1200-00	1200-00	..	800-00	400-00	3600-00
624-00	9	..	..	..	40-00	..	..	..	80-00	..	240-00	80-00	440-00
624-00	8	..	..	..	..	12-00	..	..	80-00	..	240-00	80-00	440-00
87-60	3	..	4-00	..	..	..	..	..	..	8-00	24-00	..	40-00
83-60	1	..	..	..	..	..	..	16-00	16-00	..	48-00	..	72-00
69-60	7	..	..	..	..	..	..	..	..	..	..	40-00	56-00
52-16	2	8-00	..	4-00	..	..	..	..	..	..	12-00	..	24-00
40-00	4	3-20	..	1-28	..	..	..	..	..	4-32	..	..	8-80
34-40	5	..	..	..	..	..	..	16-00	8-00	8-00	..	..	32-00
25-04	6	..	..	..	8-00	..	..	..	..	..	..	16-00	24-00
TOTAL		11-20	4-00	5-28	88-00	12-00	..	1232-00	1384-00	20-32	1364-00	616-00	4736-80

Village : Elamathur—Taluk : Erode.

TABLE 1—*The frequency of sales of paddy by cultivators during 1957-58 and 1958-59*

No. of times sold	1957-58		1958-59	
	No. of cultivators	Total Qty. sold (in bags)	No. of cultivators	Total Qty. sold (in bags)
1	..	..	1	16
2	2	56	1	28
3	4	304	2	144
4	4	408	5	420
5	..	..	2	260
TOTAL	10	768	11	868

TABLE 2—*The timing of sale by the cultivators during 1957-58 and 1958-59*

Month	1957-58		1958-59	
	No. of sales in the month	Total Qty. sold (in bags)	No. of sales in the month	Total Qty. sold (in bag)
April	..	..	2	64
May	..	..	..	..
June	..	..	..	..
September	2	64	..	..
October	5	100	8	200
November	6	144	3	56
December	3	80	2	56
January	3	32	1	24
February	8	216	..	..
March	5	132	18	468
TOTAL	32	768	34	868

TABLE 3—*Sales in April, May and June in the years 1958 and 1959*

	1958 April, May, June	1959 April, May, June
Quantity sold (in bags)	64.00	392.00
No. of sales	2	10

Village : Elamathur—Taluk : Erode.

TABLE 5—*Production, consumption, marketable and marketed quantities in 1957-58 and 1958-59*

Serial No. of holding	Paddy Produced + Initial stocks + other receipts in kind	All Dis- posals except consump- tion & sales	Consumption		Marketa- ble quantity (in bags) 1—(2+4)	Sales	Stock at the end
			Consump- tion Units	Total consump- tion			
1957-58							
1	48·80	5·60	2·0	14·40	28·80	8·00	20·80
2	114·40	11·20	4·5	14·40	88·80	56·00	32·80
3	124·00	12·00	4·5	16·00	96·00	72·00	24·00
4	305·60	16·00	3·5	14·40	275·20	112·00	163·20
5	176·80	27·20	4·0	16·00	113·60	48·00	65·60
6	176·80	19·20	3·5	16·00	141·60	72·00	69·60
7	176·80	19·20	5·5	16·00	141·60	56·00	85·60
8	307·20	24·00	3·0	14·40	268·80	104·00	164·80
9	339·92	28·00	6·0	24·00	297·92	120·00	177·92
10	339·92	28·00	7·0	24·00	297·92	120·00	177·92
TOTAL	2110·24	190·40	43·5	169·60	1750·24	768·00	982·24
1958-59							
1	37·60	5·60	2·0	14·40	17·60	20·00	..
2	92·80	10·40	4·5	14·40	68·00	16·00	52·00
3	144·00	12·00	4·5	16·00	116·00	48·00	68·00
4	363·20	16·00*	3·5	14·40	332·80	88·00	244·80
5	180·80	27·20	4·0	16·00	137·60	128·00	13·60
6	180·80	27·20	3·5	16·00	137·60	128·00	5·60
7	183·20	27·20	5·5	16·00	140·00	10·00	36·00
8	364·00	24·00*	3·0	14·40	325·60	80·00	245·60
9	373·60	28·00*	6·0	24·00	321·60	128·00	193·60
10	373·60	28·00*	7·0	24·00	321·60	128·00	193·60
TOTAL	2293·60	205·60	43·5	169·60	1918·40	868·00	1052·80

*These figures appear to be under-estimates.

Village : Sivagiri—Taluk : Erode.

TABLE 1—Frequency of sales by cultivators in 1957-58 and 1958-59

No. of times sold	1957-58		1958-59	
	No. of cultivators	Total quantity sold (in bags)	No. of cultivators	Total quantity sold (in bags)
2	1	12	1	24
3	7	3,144	3	1,848
4	1	120	5	484
5	1	136	1	144
TOTAL	10	3,412	10	2,500

TABLE 2—Timing of sales by cultivators in 1957-58 and 1958-59.

Month	1957-58		1958-59	
	No. of sales in the month	Total sold (in bags)	No. of sales in the month	Total sold (in bags)
September	2	44	8	501·60
October	12	688	2	24·00
November	4	624	2	40·00
December	5	120	6	673·60
January	1	24	2	28·00
February	4	220	6	908·00
March	4	1,692	10	324·00
TOTAL	32	3,412	36	2500·00

TABLE 3—Sales in April, May and June in the years 1958 and 1959

	1958	1959
	April, May, June	April, May, June
Quantity sold (in bags)	Nil	336
No. of sales . . . . .	..	7

Village : Sivagiri—Taluk : Erode.

TABLE 4—*Production, consumption marketable and marketed quantity in 1957-58, and 1958-59*

Sl. No. of holding	Paddy produced + Initial stock + other receipts in kind	All disposals except sales & consumption	Consumption		Marketable quantity (in bags) 1—(2+3)	Sales	Stock at the end
			Consumption units	Total consumption			
	1	2*	3	4	5	6	7
1957-58							
1	52·00	1·60	11·0	14·40	36·00	12·00	24·00
2	158·40	3·20	4·5	14·40	140·80	16·00	124·80
3	124·00	4·00	4·0	16·00	104·00	80·00	24·00
4	184·80	3·20	4·5	14·40	167·20	96·00	71·20
5	184·80	3·20	5·0	14·40	167·20	96·00	71·20
6	305·60	8·00	3·0	14·40	283·20	120·00	163·20
7	340·00	12·00	10·0	24·00	304·00	136·00	168·00
8	340·00	12·00	7·5	24·00	304·00	136·00	168·00
9	1643·20	22·40	11·5	16·00	1604·80	1360·00	244·80
10	1643·20	20·80	4·0	16·00	1606·40	1360·00	246·40
TOTAL	4976·00	90·40	65·0	168·00	4717·60	3412·00	1305·60
1958-59							
1	37·60	1·60	11·0	14·40	21·60	24·00	Nil
2	166·40	2·40	4·5	14·40	149·60	36·00	113·60
3	142·80	4·00	4·0	16·00	122·80	56·00	66·80
4	183·60	1·60	4·5	14·40	167·60	104·00	63·60
5	183·60	1·60	5·0	14·40	167·60	104·00	63·60
6	363·20	8·00	3·0	14·40	340·80	96·00	244·80
7	376·00	12·00	10·0	24·00	340·00	144·00	196·00
8	376·00	12·00	7·5	24·00	340·00	144·00	196·00
9	1465·60	20·80	11·5	16·00	1428·80	896·00	532·80
10	1467·20	20·80	4·0	16·00	1430·40	896·00	534·40
TOTAL	4762·00	84·80	65·0	168·00	4509·20	2500·00	2011·60

NOTE.—Seed rate is not taken into account.

*These figures, it appears, are under-estimates.

IV-1—Statement showing arrivals of Rice and Paddy into and despatches from Tanjore Centre.
(in Standard Maunds)

Opening stock	Arrival during the month			Offtake during the month			Closing stock
	Local	Outside	Total	Local sales	Despatches to out-stations*	Government procurement	
RICE							
April—1959 5,000 Mds.	35,200	700	35,900	9,890	12,512	13,568	4,930
May—1959 4,930 Mds.	45,970	570	46,540	4,810	15,570	24,690	6,400
June—1959 6,400 Mds.	21,320	1,660	22,980	4,494	8,696	11,730	4,460
* Roughly 80% to Kerala							
PADDY (in bags) 1 Bag= 1½ Mds.							
April—1959 30,350	69,600	2,500	72,100	40,150	2,970	..	59,330
May—1959 59,330	32,000	1,500	33,500	45,150	1,070	1,253	45,357
June—1959 45,357	9,200	..	9,200	15,520	Nil	844	38,193

IV-2—Statement showing the arrivals and despatches of paddy and rice into and from Coimbatore Market Centre : January—July 1959*

	Arrivals (mds.)		Despatches (mds.)	
	Paddy	Rice	Paddy	Rice
January	29,494	48,276	25,106	45,426
February	6,060	36,774	11,340	44,394
March	7,390	19,432	12,870	18,742
April	8,300	54,880	6,480	53,326
May	16,800	76,000	17,400	74,500
June	10,800	37,400	11,500	33,700
July (3-7-59)	800	8,200	1,100	8,800
(10-7-59)	3,200	10,600	700	13,400
SOURCES OF ARRIVALS : From January—March				
		South Arcot,	North Arcot	
		Tanjore	& Trichy	
From April—July				
		Mostly	from Andhra.	

NOTES :

(1) DESPATCHES.—They were mostly exported to Kerala and Nilgiris. The price of 1st sort rice on 10-7-59 was Rs. 58-00 per bag of 2 mds.

(2) THE VARIETIES OF RICE SOLD : Vellamar, Red Kar, Kattai Samba, Co. 25.

*SOURCE : District Statistical Inspector, Coimbatore.

IV—3—Arrivals, despatches and stocks of paddy at the various centres in Madras State (July 1958 to March 1959)-contd.
(In Standard mds. of 82-2 $\frac{1}{2}$ lbs. each)

COIMBATORE DISTRICT		July 1958	August 1958	September 1958	October 1958	November 1958	December 1958	January 1959	February 1959	March 1959
Opening stock		467	396	538	Nil	176	136	470	114	777
Arrivals		41,145	3,484	4,124	2,890	2,535	3,069	5,495	2,883	1,894
Despatches		4,243	3,679	4,005	3,371	2,575	2,735	5,851	2,220	1,997
Closing stock		369	538	657	176	136	470	114	777	674
Opening stock		51,200	39,700	17,350	11,850	8,850	6,850	4,000	1,700	2,500
Arrivals		40,500	25,150	19,000	22,000	21,500	23,400	21,050	7,300	9,025
Despatches		52,000	47,500	24,500	25,000	23,500	26,250	23,350	6,500	8,500
Closing stock		39,700	17,350	11,850	8,850	6,850	4,000	1,700	2,500	3,025
Opening stock		7,149	..	5,946	..	4,100	4,830	3,842	..	1,250
Arrivals		54,596	..	68,033	20,750	46,900	63,730	36,690	..	24,550
Despatches		57,522	..	61,709	17,700	41,340	59,888	26,425	..	20,688
Closing stock		4,223	..	12,273	3,050	9,660	6,672	14,107	..	5,112
Opening stock . . . . .		..	..	..	..	7,300	3,955	9,405	..	3,810
Arrivals . . . . .		..	..	..	..	31,440	72,055	25,560	..	40,300
Despatches . . . . .		..	..	..	..	30,830	62,650	26,106	..	30,310
Closing stock . . . . .		..	..	..	..	7,910	13,360	8,859	..	13,800

IV-3 conclud.

COIMBATORE DISTRICT—cont.				Commodity—(a) Rice		Centre : Coimbatore	
Opening stock	•	•	•	•	•	9,526	12,376
Arrivals	•	•	•	•	•	48,276	36,774
Despatches	•	•	•	•	•	45,426	44,394
Closing stock	•	•	•	•	•	12,376	4,756
(b) Paddy							
Opening stock	•	•	•	•	•	7,252	11,640
Arrivals	•	•	•	•	•	29,494	6,060
Despatches	•	•	•	•	•	25,106	11,240
Closing stock	•	•	•	•	•	11,640	6,460
Centre : Pollachi							
Opening stock	•	•	•	•	•	3,423	3,888
Arrivals	•	•	•	•	•	14,683	12,250
Despatches	•	•	•	•	•	15,876	11,780
Closing stock	•	•	•	•	•	2,230	4,350
Centre : Nilgiris							
TANJAVELLY DISTRICT							
Commodity—(a) Rice							
Opening stock	•	•	•	•	•	7,800	1,091
Arrivals	•	•	•	•	•	11,700	15,450
Despatches	•	•	•	•	•	15,060	16,341
Closing stock	•	•	•	•	•	4,440	200
(b) Paddy							
Opening stock	•	•	•	•	•	1,580	8,485
Arrivals	•	•	•	•	•	22,660	40,000
Despatches	•	•	•	•	•	16,370	24,490
Closing stock	•	•	•	•	•	23,995	75,300
Centre : Madurai							
Opening stock	•	•	•	•	•	23,995	1,01,500
Arrivals	•	•	•	•	•	96,300	12,200
Despatches	•	•	•	•	•	44,995	19,181
Closing stock	•	•	•	•	•	75,300	49,619

Source:— Appendix II of the Statistical Supplement—Fort St. George Gazette.

V-1—Total Purchase and Sale of Paddy in Tanjore Market in 1957-1958 and 1958-59

Period	1957-58		1958-59	
	Purchase (Bags)	Sales (Bags)	Purchase (Bags)	Sales (Bags)
September	11,212	5,828	4,083	5,491
October	22,691	8,575	23,874	9,524
November	3,594	7,707	2,638	11,243
December	1,159	9,620	2,883	6,885
January	7,937	5,507	5,096	2,834
February	29,292	8,680	17,405	7,374
March	21,764	12,616	21,996	10,841
April	10,063	11,759	10,462	7,028
May	9,077	8,378	2,483	8,094
June	8,316	11,119	4,089	3,763
July	9,109	10,759	4,295	1,676
August	6,537	9,616	Nil	Nil
TOTAL	1,40,751	1,11,164	99,304	74,753

The sales of wholesale traders are given in bags of rice, they are converted into paddy for comparison with the purchases.

V-2—Statement showing Paddy purchased by Wholesalers at Tinnevely Market Centre in each month during 1957-58 and 1958-59

Month	1957-58 (Bags)	1958-59 (Bags)
September	1,426	4,047
October	5,353	4,686
November	2,870	1,861
December	2,773	3,167
January	486	5,246
February	4,852	2,640
March	4,888	5,149
April	4,254	471
May	3,459	571
June	2,180	1,336
July	2,503	N.A.
August	677	N.A.
TOTAL	35,721	29,174

No. of wholesalers studied —5.

V-3—Statement showing Rice purchased by Wholesalers at Tinnevely Market Centre in each Month during 1957-58 and 1958-59

Month	1957-58 (Bags)	1958-59 (Bags)
September	794	980
October	146	83
November	222	923
December	267	1,009
January	185	2,777
February	531	2,414
March	181	Nil
April	21	601
May	766	175
June	935	1,501
July	140	N.A.
August	809	N.A.
TOTAL	4,997	10,463

No. of wholesalers studied—5* (1 bag=2 maunds)

*One of the wholesalers could not give figures of purchases of rice.

V-4—Statement showing the Sales of Rice by Wholesalers in Tinnevely Market Centre during 1957-58 and 1958-59

Month	1957-58 (Bags)	1958-59 (Bags)
September	425	1,532
October	405	1,674
November	186	2,561
December	520	3,179
January	1,486	4,185
February	1,336	3,104
March	1,075	1,472
April	1,305	2,003
May	1,550	1,496
June	1,499	990
July	1,819	N.A.
August	1,346	N.A.
TOTAL	12,952	22,196

No. of wholesalers studied—4. (1 bag=56 MM.)

Sale in the form of paddy is negligible and whatever quantity sold as such was converted into rice.

V-5—Statement showing the Purchases of Rice by Wholesalers in Coimbatore Market during 1957-58 and 1958-59

Month	1957-58 (Bags)	1958-59 (Bags)
September	2,050	2,050
October	1,380	1,480
November	2,390	3,000
December	2,160	2,700
January	1,460	2,480
February	950	2,580
March	1,780	2,300
April	4,200	1,880
May	2,490	1,750
June	1,900	1,100
July	1,000	400
August	1,200	..
TOTAL	22,960	21,720

Purchases made by 8 wholesale dealers. (1 bag=2 mds.)

V-6—Statement showing Sales of Rice by Wholesalers in Coimbatore Market during 1957-58 and 1958-59

Month	1957-58 (Bags)	1958-59 (Bags)
September	1,650	2,000
October	1,480	1,430
November	2,380	2,900
December	2,170	2,500
January	1,750	2,980
February	1,300	2,180
March	1,480	1,900
April	2,500	1,680
May	2,250	1,550
June	940	800
July	900	400
August	1,100	..
TOTAL	19,900	20,320

Sales in the Coimbatore market centre of 8 wholesale dealers. (1 bag=2 mds.)

V-7

P. L. Sreenivasa Iyer & Sons,
General Merchants & Commission Agents,
13/659, Big Bazaar St.,
Post Box. No. 123
COIMBATORE (S. India).

20th July, 1959.

The Agent,
State Bank of India,
Coimbatore.

Sir,

The main importing centres for Coimbatore Town for paddy and rice are Andhra Pradesh, Tanjore and Trichy Districts.

Nearly 1,500 tons of rice and paddy are being imported from Andhra Pradesh monthly.

Nearly 750 tons of rice and paddy are being imported from Tanjore and Trichy District.

The ceiling rates for Andhra Pradesh rice are from Rs. 33 to 44 for 2 mds. But we don't get at the ceiling rates.

Paddy rates are Rs. 20 to 24 per bag of 2 mds. at Andhra. There is no paddy available at the ceiling rates.

At Tanjore District the Government rate for 2 mds. rice is Rs. 36 but it is quoted at Rs. 48 per bag of 2 mds.

The local rate at Coimbatore is Rs. 50 per bag of 2 mds. with gunny. The merchants are forced to confine themselves to retail sales only. Local consumption of rice and paddy will be nearly 2,500 tons. That is our idea.

Yours faithfully,

Sd.

For P. L. Sreenivasa Iyer & Sons.

(True copy)



MADHYA PRADESH

*The survey in selected areas of Madhya Pradesh was conducted
by the Agro-Economic Research Centre, Sehore, under
the guidance of the Deputy Director of the Centre,
Dr. Kissen Kanungo.*

सत्यमेव जयते

SECTION I

INTRODUCTION

Two markets, viz., Itarsi and Raipur were selected for studying the pattern of arrivals of wheat and rice and their subsequent disposal. Itarsi market is situated in the heart of Hoshangabad district which lies in Narmada Valley, the wheat belt of Central India. This is also a central market for the country having connections with far off places like Bombay, Madras and eastern districts of Madhya Pradesh. Wheat is the major crop of Hoshangabad district, accounting for over 40% of the total cropped area. The other important crops grown in the district are gram, other pulses and til. Itarsi market is a producers market in wheat with a large hinterland area extending up to a radius of 20 miles and constituting almost the whole of Hoshangabad tehsil and Budni tehsil of the adjoining Sehore district.

Raipur market is an important wholesale market of Raipur district situated in Chhatisgarh region. Rice is the major crop grown in this district, covering about 60 per cent of gross area sown. For Raipur market too the hinterland area is within a radius of 20 miles around the market. Rice from this market is normally exported to Ujjain, Bhopal, Jabalpur and Bundel Khand tract within the State and also to West Bengal, Bombay, Bihar, Assam, South India and Banaras region of U.P.

SECTION II

ITARSI MARKET (HOSHANGABAD)

Market arrivals

In the Itarsi market, there is no agency maintaining regular records of arrivals and despatches. An idea of the flow and pattern of wheat from the rural areas into the market and their subsequent disposal was therefore obtained by interviewing 56 farmers in six villages, seven out of eight *pucca arhatiyas* and three out of twelve *kacha arhatiyas* in the market and by sifting the relevant data on arrivals and despatches available with the Railways and with the local authorities concerned with the licensing of wholesale dealers in foodgrains. (The three selected *kacha arhatiyas* handle the major proportion of trade, the remaining nine being very small dealers). The six villages selected for study were Beora, Mehraagaon, Jhunjampur, Gochi Tarand, Pathora and Sona Sanoni. In each village, 2—3 very large farmers 1—3 large farmers, 2—3 medium farmers and 2 small farmers were contacted*.

The purchases of wheat by three *kacha arhatiyas* and purchases and sales by seven *pucca arhatiyas* are set out in Table No. 1. It will be seen that purchases by *kacha arhatiyas* which can be taken largely to represent arrivals from rural areas were lower by 21 per cent in the post-harvest months (March—June) this year as compared to the corresponding period last year. The purchases and sales by *pucca arhatiyas* in the same period were lower by 69 per cent and 78 per cent respectively.

*The farmers owning more than 40 acres were treated as very large, those owning 21 to 40 acres as large, those owning 11 to 20 acres as medium and those owning 10 acres or below as small.

Maximum purchases by *kacha arhatiyas* were reported this year in the month of May while last year they were in the month of April. This shows that there have been delayed marketings by producers this year. In fact, since the month of May, purchases by *kacha arhatiyas* have become higher this year than last year.

The fortnightly returns on purchases, sales and stocks submitted by the licensed wholesalers (about 250 for wheat in the district) to the Government, also show that during 1959 purchases by wholesalers increased progressively until the first fortnight of May when they reached the highest level (*vide* Table No. 2). In the second fortnight of May purchases dwindled while sales increased considerably, which may be attributed to the government's announcement of procurement policy during this period. In the month of June purchases again showed a recovery.

The data on arrivals and despatches of wheat from Itarsi Railway Station given in Table No. 3 can also throw a light on the trend of supplies of wheat. These data show that the flow of supplies of wheat to and from Itarsi slowed down considerably during the post-harvest period this year in comparison with last year. The decline in arrivals (excluding those from outside Madhya Pradesh) was to the extent of 58 per cent and that in despatches 78 per cent. It will, however, be noted that so far in the current year (March 1959—June 1959) the arrivals have gone up progressively from month to month while despatches have not shown the same trend.

From all evidence available, it is established that (i) the volume of arrivals in Itarsi market was lower in the post-harvest months this year as compared to the corresponding period last year, and (ii) there were more delayed sales this year than last year. While maximum arrivals were in May this year, they were in April last year. After May the arrivals showed some decrease due to monsoons but they were higher than last year in the corresponding period.

Location of stocks

Low arrivals in the market in the current year cannot be attributed to deficient production. On the contrary, the production of wheat has increased considerably compared to last year. According to the final estimate for the year 1958-59, the production of wheat in Hoshangabad district in which Itarsi market is located is put at 100,300 tons against 55,700 tons in the previous year, thus showing an increase of 80 per cent. The higher out-turn is the result mainly of higher yield per acre.

The farmers interviewed during the survey also reported an increase in production from 1831 maunds in 1957-58 to 1890 maunds in 1958-59, *i.e.*, an increase of 3.2 per cent (*vide* Table No. 5 and 6). Actually it was found that the farmers were afraid of disclosing the correct position lest they have to suffer for it. It appears certain that they had made an understatement to the extent of 33 to 50 per cent.

Obviously, the low rate of arrivals this year despite increase in production indicates that a substantial part of the marketable surplus has not yet flowed into the market. Table No. 7 will show that during 1958-59 stocks with the 56 farmers were 109 maunds as against 24 maunds during 1957-58. Almost all the traders and Government officials were of the opinion that not more than 40 per cent of the marketable surplus has come to the market and over 60 per cent are yet to move from villages. That

a major part of the surplus is still being held by producers particularly big producers, was also borne out by the persons interviewed in the villages.

The big producers seem to be holding the stocks not only out of their own produce but also out of the recoveries of loan paid in kind. The farmers, who were hit by the crop failure in 1957-58, did not have any seeds to sow during October 1958 and so they had to either approach the local moneylenders for monetary help or the big producers for loan in kind. A good portion of the farmers borrowed seeds on the condition that they would repay $1\frac{1}{2}$ times that quantity immediately after the first harvest in February 1959. The seed requirements of wheat in the district on this account may be placed approximately at 5,000 tons (on the basis of one maund of seed per acre). Since a majority of the farmers had recourse to this method, the quantity of wheat they disposed of for the district as a whole may safely be assumed to be at least one and a half times the total seed requirements or about 7,500 tons. It should be remembered that this significant quantity (forming 7.5% of total production) of wheat is with the big producers who have sufficient capacity to hold it for a long duration.

Even the small and medium farmers, who had to suffer the hardship last year in procuring the seeds at exorbitant prices (ranging from Rs. 22 to Rs. 24 per maund) have become wiser this year. Even the smallest farmer feels that it is better to take loans at any rate of interest at times of need than to sell the quantity of grains required for seed purposes. On this account, another 15,000 tons of wheat is estimated to be with the farmers, inclusive of the requirements of those who are never accustomed to keep grains till sowing of the next crop.

A portion of the stocks of wheat seems to have been passed this year to the labourers and artisans in the villages. The farmers who were all along giving to labourers and artisans gram as wages in kind, have started giving instead wheat. Payment of wages in wheat has now many advantages from the point of view of a producer. Gram prices are much higher in parity with wheat prices. By paying the wages in wheat, the producer not only makes some monetary gain but also gives more satisfaction to the labourers, since wheat is more liked than gram. Also, marketing of gram is found to be very easy, since there is a very great demand for the produce.

As regards supplies already received in the market, the traders, at present, do not seem to have much of wheat stock with themselves. On 30th June, 1959 the total stocks with wholesale traders in the district were put at 706 tons only. Most of the traders are of the opinion, that it is more profitable to trade in commodities like Tur, Oilseeds and Gram which not only have a good market in areas like Andhra, Madras and Bombay, but also can be traded without malpractices since they do not come under the purview of any of the Government control orders. This is also corroborated by the views expressed by Bank Officials. Due to restrictions imposed on bank credit against foodgrains and also in view of the low margin of profit in wheat it seems the traders wish to make use of the available credit facilities mostly for crops other than wheat. In the only scheduled bank carrying on business at Itarsi for decades, the pledged quantity of wheat at end of June, 1959 was only 900 maunds. The corresponding figures for March and April were 'nil' and 700 maunds respectively.

Causes of low arrivals

Some factors responsible for decline in market arrivals despite higher production this year have been already explained. The basic factor, however, seems to be a change in the market behaviour of village producers. This year the producers had a bumper crop of tur and a higher yield per acre in til and linseed and at the same time they obtained unusually high prices for these crops, higher than they had ever seen in the last few years. Tur dhal fetched between Rs. 24 and 28 during April—June 1959 compared to the open market prices of Rs. 17 for wheat prevalent at the time. The prices for oilseeds were also higher than those of wheat. Gram too fetched a price higher in parity with wheat price. Taking advantage of the high price of the commercial crops, the cultivators, including even the small ones, marketed almost all of their produce in these crops which enabled them to have a sizeable amount of cash not only to meet the immediate needs of the post-harvest period, but also to meet their cash expenditure for a number of months to come.

Thus the retaining power of the producers for wheat has increased considerably due to higher out-turn and better prices received by most of the major crops (other than wheat) grown by them. In addition, the Taccavi loans advanced by the Government on all accounts to the agriculturists of the district has shown an increase from Rs. 145,176 in the year 1957-58 to Rs. 239,851 in the year 1958-59. There was, however, no evidence to show that the traders advanced loans to the producers so as to enable the latter to retain their produce. Of course, the traders do give some money to the tune of approximately Rs. 25,000 to the farmers at the time of their need.

The capacity to hold wheat for some time having been strengthened, the farmers, who had to pay Rs. 22 and 24 per maund for wheat at the time of last sowings and borrow for this purpose at high interest rates, are now not willing to sell their produce at the rates (varying between Rs. 13 and Rs. 16 per maund) fixed by Government. To them, it looks illogical, that wheat should be cheaper than gram, masoor, tur, teora, etc., and should be priced equally with jowar. They feel that the prices will somehow go up to Rs. 20 per maund near about Diwali.

Effect of Government control measures

An opinion was, therefore, expressed by some of the persons met during the survey that the Government measures have made the farmers withhold their produce. Further even traders confirmed that the huge difference in prices prevailing in Bombay and Madhya Pradesh, induces many persons to smuggle the grain to neighbouring areas in Bombay by any means and at all costs. It is feared in all quarters, that if restrictions on price and movement of wheat are continued price conscious farmers may switch over to crops like tur, oilseeds, gram, etc. The fears are quite meaningful for two reasons. Apart from the higher prices received last year for these crops, the cultivators and traders find it easier and convenient to trade in these crops, since there are no fears of Government procurement or restrictions at any stage. Secondly, the soil is equally responsive to these crops, as to wheat. Besides the former crops fail seldom, unlike wheat, whose yield varies considerably from year to year due to various factors. It has also to be remembered that the area under wheat had increased during the last decade at the expense of these crops and a reversal of the trend is not difficult.

Government procurement policy

The State Government has procured in the district only 1,221 tons till the third week of July and this stands in no comparison with their target. For Itarsi mandi, the quantity procured is only 173 maunds. The reasons for the low level of procurement may be summed up as follows :—

- (i) The Government announced its policy of procurement in the middle of third week of May, by which time a sizeable proportion of wheat had been marketed. The produce from small cultivators who are forced to part with their produce at low prices immediately after harvests, was not available to the Government.
- (ii) Because of unattractive prices, the medium and large farmers, who usually wait for a month or two after the harvest did not bring their produce to the market after the Government entered the market for purchases.
- (iii) A few weeks after the announcement, the monsoon set in and arrivals at mandis went down appreciably.
- (iv) The producer who has been selling his goods to a particular trader for decades finds the traders to be better buyers than the Government (even at the same price) for a variety of reasons such as, monetary help at times of need, immediate payment after sales, boarding and lodging facilities whenever he comes to the mandi, etc.
- (v) The formalities that one has to go through before completing the deal with the government and detailed specifications not only about the grain but also about the container that have to be satisfied discourage the producer to sell his produce to the Government.
- (vi) The prescription of a minimum number of maunds to be procured from a person enables the Government to touch only a few producers.
- (vii) Inadequate machinery for handling the procurement and limiting the area of procurement to mandis also stand in the way of achieving the targets of procurement.

Future expected trend of market supply

Nearly two thirds of the total stock held by the producers can be safely expected to be received in the market by October-November. During October-November the producer requires cash to carry on the sowing operations of Rabi crops as well as to meet the daily needs and festival expenditure during Deepavali. The remaining one third of the stock may be expected after November, depending upon the nature and prospects of the kharif crops.

TABLE 1—Purchases and sales of wheat by the selected traders in Itarsi market

(In maunds)

	March		April		May		June		Total March to June 1958 1959		Per- centage variation in 1959 over 1958	Total July 1958 to Feb., 1959
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959		
Purchases (sales) by Kacha Arhathiyas	7,041	3,199	8,076	5,361	5,667	6,289	3,326	4,213	24,110	19,062	(—)29.9	17,934
Purchases by Pucca Arhathiyas	1,653	434	4,313	1,216	2,453	747	5,735	1,957	14,154	4,354	(—)69.2	17,742
Sales by Pucca Arhathiyas	1,099	294	4,840	679	1,514	834	7,543	1,517	14,996	3,324	(—)77.8	8,162
Percentage of sales to purchases by Pucca Arhathiyas.	66	68	112	56	62	112	131	78	106	76	..	45

TABLE 2—*Purchases and sales of wheat of licensed traders in the Hoshangabad District*

Fortnight ending	(In tons)			
	Purchases	Sales	Percent- age of Sales to Purchases	Stock at the end
15-1-1959	930	969	104	211
31-1-1959	752	831	111	132
15-2-1959	853	802	94	114
28-2-1959	688	657	96	114
15-3-1959	1,070	1,059	99	125
30-3-1959	1,237	1,031	83	331
15-4-1959	1,344	1,229	91	446
30-4-1959	1,797	1,689	94	554
15-5-1959	2,121	1,561	74	1,144
30-5-1959	960	2,000	208	74
15-6-1959	1,932	1,555	80	451
30-6-1959	1,425	1,170	82	706

सत्यमेव जयते

TABLE 3—Arrivals to and despatches of wheat from Itarsi Railway Station

(In maunds)									
	March		April		May		June		Percentage variation in 1959 over 1958
	1958	1959	1958	1959	1958	1959	1958	1959	
Arrivals									
From M.P.	..	14	314	92	1,369	514	5,200	2,246	(-)-58.4
From outside.	6	..	..	..	..	..	1,728	..	(-)-100.0
Total	6	14	314	92	1,369	514	6,928	2,246	(-)-66.7
Despatches									
To M.P.	3,063	1,472	4,598	1,030	1,395	90	4,761	956	(-)-74.1
To outside	..	..	278	112	3	20	2,384	9	(-)-94.7
Total	3,063	1,472	4,876	1,142	1,398	110	7,145	965	(-)-77.6

TABLE 4—*Details of area operated by 56 farmers in 6 villages around Itarsi*

Size Group	1957-58				1958-59							
	No. of holdings	No. of adult units	Area owned and cultivated	Total operational holding	Average size of holding operated	No. of adult units	Area owned and cultivated	Area leased in	Total operational holding	Average size of holding operated		
Over 40 acres	.	6	44	252.00	48.00	300.00	50.00	45	259.00	64.00	323.00	53.83
21—40 acres	.	15	107	330.50	44.00	374.50	24.97	109	334.50	88.00	422.50	28.16
11—20 acres	.	21	108	244.75	27.00	271.75	12.94	105	245.75	53.50	299.25	14.25
10 acres and below	.	14	66	93.76	1.00	94.76	6.77	68	83.76	12.50	96.26	6.88
TOTAL	.	56	325	921.01	120.00	1,041.01	18.59	327	923.01	218.00	1,141.01	20.38

TABLE 6—Area and production of various crops of 56 farmers in 6 villages around Itarsi in 1958-59

Size groups Crops	(Area in acres; Production and yield per acre in maunds)									
	Over 40 acres			21-40 acres			11-20 acres			Total
	Area	Production	Yield per acre	Area	Production	Yield per acre	Area	Production	Yield per acre	
Paddy .	..	..	..	3.0	23.0	7.67	4.17	48.0	11.54	83.0
Wheat .	144.0	524.0	3.64	210.0	790.5	3.76	137.0	454.8	3.32	1,889.5
Maize .	..	..	..	..	..	..	..	..	..	..
'owar .	17.0	34.0	2	30.0	105.0	3.50	32.5	122.5	3.77	336.5
Gram .	29.5	36.0	1.23	42.0	64.5	1.54	31.5	46.0	1.46	173.0
Jeona .	30.0	72.0	2.40	55.5	91.0	1.64	27.0	74.25	2.75	239.75
Tilli .	25.5	73.0	2.86	19.0	36.5	1.92	15.0	25.0	1.66	135.0
Masoor .	4.0	6.5	1.62	1.5	2.5	1.67	.75	6.0	8	15.0
Alsi .	4.0	1.5	0.37	13.0	29.0	2.24	18.0	35.5	1.97	68.5
Peas .	2.0	1.5	0.75	..	..	..	..	..	..	1.5
Toor .	..	..	..	2.5	4.0	1.60	1.0	5.0	5	9.0

TABLE 7—Receipts and disposals of wheat of 56 farmers in 6 villages around Itarsi

Size group	1957-58						1958-59						(In maunds)	
	Total receipts	Total dis- posals	Sales	P.C.		Stock	P.C. of stocks to total receipt	Total receipts	Total dis- posals	P.C. of		Stock to total receipts		
				sales to total receipt	sales to total receipts					sales to total receipts	stocks to total receipts			
Over 40 acres	.	.	476	467	..	9	1.8%	524	484	22	4.2	40	7.6%	
From 21 to 40 acres	.	.	758	744	60	7.9	14	1.8%	790	764	54	6.8	26	3.3%
From 11 to 20 acres	.	.	481	480	30	6.2	1	0.2%	487	453	22	4.5	34	7%
10 acres and below	.	.	205	205	6	2.9	..	..	185	176	Nil	..	9	4.8%
TOTAL	1,920	1,896	96	5.0	24	1.2%	1,986	1,877	98	4.9	109	5.5%		

(In maunds)

TABLE 8—Seed rate in 1958-59 and seed kept for use in 1959-60

Size Group	Seed Rate per acre/in mds.	
	Used in 1958-59	Kept for use in 1959-60
Over 40 acres	(0.95)	(1.12)
From 21 to 40 acres	0.91	1.00
From 11 to 20 acres	0.67	0.65
10 acres or below	1.09	1.10
Overall	0.88	0.95



सत्यमेव जयते

SECTION III

RAIPUR MARKET (RAIPUR DISTRICT)

Market arrivals

Daroga of the Raipur market who is the employee of the Raipur Municipal Committee and whose main function is to collect levies on all goods marketed in the market, maintains records of marketing of rice. More detailed information regarding the flow and pattern of the market supplies and their subsequent disposal was also obtained by interviewing five wholesale dealers (of whom data supplied by three only were comparable) and two millers in the market and also 14 farmers in each of the four villages, viz., Charoda, Parastaria, Teoraiya and Dharsima.

The pattern of arrivals of paddy and rice into Raipur market on quarterly basis is set out in Table No. 1.

It will be seen that during the first nine months of 1958-59 (October 1958 to June 1959) the arrivals of paddy into the market were higher by 52 per cent than those in the corresponding nine months of 1957-58. Arrivals of rice in this period also showed a slight increase of 2 per cent. By converting the arrivals of paddy into rice in the proportion of 3 : 2, and adding these to the arrivals of rice, it will be seen that the total arrivals (of paddy and rice) were higher by 40 per cent in the above period.

January to March seems to be the peak period for marketing of paddy and rice. The arrivals of paddy and rice (combined) in this quarter in the current year were phenomenally large, being more than one-half of the total quantity so far marketed in the first three quarters and more than twice of that in the corresponding quarters of the last year. The arrivals in the quarter April to June were also higher in the current year than in the previous year. Only in the first quarter, viz., October 1958 to December 1958 the arrivals were less than those in the corresponding quarter of 1957-58; this shortfall may be explained by the fact that in this period arrivals are not only from the current year's crop but also from the carryover stocks of the previous year's crop, and that during the period October 1958 to December 1958 the producers had very little stocks from the previous year's crop which had suffered heavily.

Another point which emerges from Table No. 1 is that in Raipur market the crop is marketed mostly in the form of paddy rather than rice. During the first three quarters of 1958-59 rice accounted for 18 per cent in the total arrivals of paddy and rice. Further Table No. 2 shows that in the arrivals medium Hansa variety is gradually substituting coarse Gurmata variety. Fine variety is also not finding favour with producers.

Despatches by rail

Data about despatches are incomplete. Railways maintain register on despatches only in respect of full wagon loading. All despatches of less than one wagon capacity are excluded. Even such incomplete data could not be obtained for all the months of the last two years. The data that could be obtained are indicated in Table No. 3. It is rather interesting to see that despatches consist mostly of rice whereas market arrivals are

mostly in the form of paddy. This indicates that paddy is milled locally by millers and then despatched to various destinations. The millers purchase paddy from producers as well as from wholesalers and commission agents.

Stocks in the market

In the market, the stocks can be expected with the millers or the traders. Table No. 4 giving purchases of paddy and sales of rice by millers (selected for this study whose purchases accounted for 14.6 per cent of total arrivals during 1958-59) for the last two years will show that during the first three quarters of current year ending with June 1959 the sales by these millers were greater than their purchases by about 18 thousand maunds. This shows that the millers do not have at present (on 30th June, 1959) significant stocks presumably because they have sold most of them to the Central Government. As against this, by 30th June, 1958 last year, the sales of these millers were lower than their purchases by about 4 thousand maunds, although the stocks thus accumulating were more than exhausted in the subsequent quarter—July 1958 to September 1958 which is a period of lean supplies.

The position regarding stocks of paddy and rice with the three traders contacted during the survey would be clear from Table No. 5. It will be significant to note that the purchases of these three traders account for 8.3 per cent of paddy arrivals and 67.7 per cent of rice arrivals in the market. It would be seen from Table No. 5 that during 1958-59 the stocks of paddy with these traders have been throughout higher than those during 1957-58 while the stocks of rice have been lower. The total stocks of rice inclusive of paddy converted into rice have, however, been lower in 1958-59 than in 1957-58. These facts are also confirmed by the figures of total purchases and sales of the three traders given in Table No. 6(iii). During 1958-59 purchases of the traders have been higher than sales in the case of paddy and lower in the case of rice. The net position of paddy and rice together is that of less purchases and more sales. The higher sales of rice, and the lower level of stocks with traders indicate that the quantities sold have been purchased by the government.

It will not be out of place to indicate here the effect of the ban on export imposed with effect from 23rd December, 1957 on the stocks of traders. The immediate impact of export ban was a sharp decline in price and accumulation of stocks. January to March is a period of peak supply of paddy and rice and the traders had to absorb the increased supply. The traders had, however, an impression that the ban would be removed soon and, encouraged by the prevailing low level of prices, they began to build up stocks. Future developments, however, made it clear to the traders that the Government was not going to remove the ban. This caused prices to fall further (*vide* Table No. 7).

Stocks and disposals of paddy in villages

As stated earlier four villages, namely, Charoda, Parastaria, Teoraiya and Dharsima, were selected for detailed study. Dharsima village is situated on Raipur-Bilaspur road about 12 miles from Raipur towards north. The other three villages are also around Dharsima village. For each of these villages 14 households were selected after stratifying all the households according to size of land holding. As will be seen from Table No. 8 the average size of family of the farmers selected for study is 8.7 as compared

to the average of 4.98 persons per family in Central India. It is not certain whether such a large size of family is a rule in this tract or an exception of the households represented in this survey.

According to the traders, millers, commission agents and government officials, about 38 per cent of the total produce of the farmer is marketed while 50 per cent is consumed by the producers' families and the remaining 12 per cent is held as stock as a precautionary measure against crop failure. But the information obtained from the producers showed that only about 15 per cent of the produce is marketed (*vide* Table No. 11). It, however, seems that the producers did not reveal the true picture since they do not market their produce in bulk but in petty lots at different times, the details about which they do not remember. Although the information given in Table No. 11 cannot be fully relied upon, it will be seen that at the end of 1958-59 stocks with the producers are expected to be almost three times of the stocks at the end of 1957-58. It will also be seen that the increase in stocks is accounted for mainly by big producers as well as by medium producers (having holdings above 10 acres). The traders are of the view that the producers are withholding stocks due to low level of prices prevailing in the market.

During 1958-59 not only stocks with the producers are higher but also their sales have increased. Increase in both stocks and sales has been made possible by increased production. According to the Final Estimate for the year 1958-59, the production of rice in Raipur district is put at 6.53 lakh tons against 4.03 lakh tons in the previous year, thus showing an increase of 62% over that during 1957-58. The higher out-turn is accounted mainly by marked increase in yield per acre. The farmers interviewed during the survey also reported an increase in production of 4.5% during 1958-59 over 1957-58 (*vide* Table No. 10). This increase is also reported to have been brought mainly by increase in yield per acre; only in the case of holdings in the group 5—10 acres the yield rate declined. The area under paddy has also increased by about 1%. Another point revealed by Table No. 10 is that the yield per acre of the holdings of the size 10—25 acres is higher than that of holdings of any other size group.

As regards sales, it will be remembered that they take place mostly in the village itself. The common practice with the villages in this tract is to sell their stocks to a petty dealer, called *Kochiya*, who visits the village very often. The *Kochiya* is himself a petty cultivator and he collects surpluses from individuals in small lots and later on sells the same in the nearby market. He seldom gives advances to the producers; on the other hand the farmers get the cash only when the *Kochiya* has disposed of the produce in the market. Only six out of 56 cultivators reported that they get advances from traders according to their needs before the arrival of the crop.

Prices received by producers for paddy sold vary between Rs. 8 and Rs. 10.25 per maund, though in exceptional cases sale also took place at a rate as low as Rs. 5 per maund and also as high as Rs. 14 per maund. The farmers generally consider the prevailing prices to be rather low and are of the view that Rs. 9.50 to Rs. 12.50 per maund would be the desirable price.

Food Control Orders

On 20th December, 1957 the Madhya Pradesh Rice (Export Control) Order, 1957 was issued banning the export of rice, paddy and products

thereof from the State. On 17th November, 1958, the Rice (Madhya Pradesh) Price Control Order, 1958 was issued fixing maximum control prices of coarse rice. With effect from 23rd December, 1958, maximum prices of various varieties of rice were fixed in the districts of Raipur, Bilaspur, Durg, Raigarh, Shahdol, Surguja and Balaghat districts under the Rice (Madhya Pradesh) Second Price Control Order, 1958. This Order was subsequently amended on 7th January, 1959 when prices of rice were fixed in the districts mentioned above and also in Bastar separately for rail head and non-rail head markets. Again on 14th January, 1959 the Second Price Control Order, 1958 was amended specifying separate prices for hand pounded par boiled rice and all rice other than hand pounded par boiled at the rail head markets. The prices for non-rail head markets remained unchanged. On 14th April, 1959, the Madhya Pradesh Food-grains (Restriction on Border Movement) Order, 1959 was issued banning the movement of rice, paddy and their products from to and within the five mile belt all along the border of the State. This Order was meant to check smuggling of rice and paddy. On 23rd June, 1959 import of rice, paddy and their products into the State was also prohibited by amending the Madhya Pradesh Rice (Export Control) Order, 1957. The various measures taken by the Government are intended mainly to facilitate Government procurement of paddy and rice.

Procurement of rice by Central Government

In Madhya Pradesh both Central and State Governments have entered the market to make purchases. While the State Government is purchasing paddy the Central Government is making purchases of rice. The Central Government has set up a Procurement Organization under Deputy Director (Food) for Raipur Division with its headquarters at Raipur. It purchases rice of coarse and medium varieties at Rs. 15 and Rs. 15.75 per maund respectively through tender system. In Raipur market it is mainly millers who have supplied rice to the Central Government. Since 28th February, 1959 when the Central Government started purchasing rice the Government have already purchased 9.4 lakh maunds (uptil 23rd July, 1959). Table No. 12 gives mainly purchases of rice by Central Government. The Central Government have already despatched most of the quantity procured to outside areas particularly Bombay State.

Procurement of paddy by Madhya Pradesh Government

Madhya Pradesh Government started procurement of paddy at fixed prices with effect from 26th December, 1958. Table No. 13 shows monthly procurement of paddy. The total quantity so far procured (uptil June 1959) is 25 lakhs maunds. It is self evident that January to March, 1959 is the main period when Government purchased bulk of the arrivals. From Table No. 14, we can see that Government purchases during this period amounted to 30.8 per cent, 12.0 per cent and 41.3 per cent of arrivals of coarse, medium and fine varieties of paddy respectively. Of the quantity procured 97,544 maunds were despatched to West Bengal uptil the end of May 1959.

During this period, the market prices ruled often below the prices fixed by the Government. An attempt has been made (*vide* Table No. 15) to give a comparative picture of market prices and Government purchase prices of paddy, variety-wise. It is clear that prices of coarse and medium varieties of paddy ruled below Government purchase prices uptil April

1959; afterward, they started moving up. In July, the procurement was stopped. Fine variety of paddy fetched sometime higher prices than the Government prices throughout the period under consideration. On the whole the Government purchase programme may be said to have provided support to the prices from falling unduly.

Madhya Pradesh Government purchases paddy with the help of a *Grain Merchants Association*. This body consists of 40 to 45 big traders and millers who have invested Rs. 500 each. It acts as an advisory body of the Government about the quality and price of paddy to be offered (within the limits fixed by Government); looks after weighing, packing, grading and transportation of the produce to nearby godowns; and arranges for making payment to the seller immediately after weighing, and collecting the amounts thus falling due from the Government subsequently.

The Government officials indicated that the Government has very limited godown capacity (about 6,000 maunds) while weekly arrivals of paddy during January to March, 1959 was about 90,000 maunds. Thus the State was seriously handicapped due to non-availability of adequate storage capacity. In view of this difficulty, the Government started storing the procured paddy in the open. As a result of this bold policy, traders and associations thought it improper and vain to prevent Government from procurement. Thus Government's procurement policy started telling on the market price level.

It is suggested that the following steps might be taken to effect improvements in the procurement programme :—

- (i) The Government should do away with the cooperation of the traders associations;
- (ii) The Government should announce its annual price and procurement policy at the time of sowing so as to influence sowing or, alternatively, if this is impossible it should announce its policy at least two months before harvest so that officials may complete preparations in connection with procurement, thus avoiding confusion later on;
- (iii) The Government should be prepared to buy in small lots;
- (iv) The Government should immediately build up storage capacity to remove one of the major limitations of State trading; and
- (v) Up to now only 55,068 maunds of paddy has been milled. Rest is still lying in the godown. It is high time this stock is cleared so that storage capacity may be made available to officials for the use of coming seasons programme.

Reactions to Government Control (measures)

Restrictions on movement of paddy, rice and other foodgrains coupled with price support policy, procurement and fixation of prices have made the traders and millers very critical of present Government policy. They feel that both traders and big producers have been affected by these measures. Due to low level of agricultural prices the producers are withholding supplies. Higher prices in neighbouring and deficit areas are a cause of grievance.

It seems that State trading and other Government measures have reduced the margin of profit of middlemen and this appears to be the main

reason for their discontent. Table below will show that with the imposition of ban on export in December 1957, the differential between rice and paddy prices came down in January 1958 to June 1958 indicating the lower margin of profit of traders and millers. This differential showed some rise in the period July 1958 to December 1958 due perhaps to seasonal reasons but with the initiation of procurement programme in December 1958 it again receded. The differential in the case of Gurmatia variety was lower in the first half of 1959 than any time before in the past two years.

Difference between Rice and Paddy Prices

(Per maund)

Year	Period	Gurmatia	Hansa
1957-58	July—December	5.87 to 8.25	5.19 to 8.50
	Jan.—June	4.75 to 6.50	4.25 to 7.50
1958-59	July—December	5.25 to 6.75	6.75 to 8.12
	Jan.—June	4.19 to 5.44	5.06 to 6.50

So far as the cultivators contacted during the survey are concerned, their sales to Government amounted to 600 maunds which are about 1/4th of their total sales. Most of the cultivators seem to be ignorant of the various measures adopted by the Government. Others feel that the Government should make purchases not only in the markets but also in the villages. This suggestion of the cultivators needs consideration. Until, however, this can be put into practice the best thing would be for the Government to perfect its purchasing agency so that all the stocks arriving in the market can be purchased at the prices fixed by the Government.

TABLE 1—Arrivals of Paddy and Rice in Raipur Market

Period	Paddy				Paddy converted into rice		Rice		Total Paddy in terms of rice		(In maunds)	
	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	% increase (+) or decrease (—) in 1958-59 over 1957-58	
Oct.—Dec.	534,572	379,860	356,560	253,367	106,518	73,824	463,078	327,191	(—) 29.3			
Jan.—March	532,300	1,165,660	355,044	777,495	106,904	162,710	461,948	940,205	(+) 103.5			
April—June	367,900	635,328	245,389	423,764	89,185	72,946	334,574	496,710	(+) 48.5			
TOTAL OCT.—JUNE	1,434,772	2,180,848	956,993	1,454,626	302,607	309,480	1,259,600	1,764,106	(+) 40.1			
July—Sept.	156,080		104,105		31,196		135,301					
TOTAL OCT.—SEPT.	1,590,852		1,061,098		333,803		1,394,901					

TABLE 2.—Arrivals of different grades of Paddy and Rice in Raipur Market

Year (July—June)	(In maunds)									
	Paddy					Rice				
	Gurmatia	Hansa	Fine	Mixed	Total	Gurmatia	Hansa	Fine	Total	
1954-55	(46.3)	(30.6)	(7.3)	(15.8)	(100)	(49.5)	(38.4)	(12.1)	(100)	
	542,360	358,460	86,320	185,260	1,172,400	294,093	228,172	71,974	594,239	
1955-56	(38.7)	(33.1)	(11.7)	(16.5)	(100)	(44.0)	(38.1)	(17.9)	(100)	
	433,680	371,320	131,266	185,620	1,121,886	89,172	77,333	36,377	202,882	
1957-58	(39.8)	(38.2)	(7.2)	(14.8)	(100)	(49.0)	(37.3)	(13.7)	(100)	
	662,440	636,120	120,800	246,348	1,665,708	161,858	122,962	45,180	330,000	
1958-59	(39.5)	(43.3)	(3.0)	(14.2)	(100)	(53.1)	(36.0)	(10.0)	(100)	
	921,380	1,012,920	70,120	332,508	2,336,928	180,998	122,658	37,020	340,676	

NOTES.—1. Figures in brackets give per cent to total.

2. In this table the year refers to July to June while in Table No. 1 it refers to October to September. The figures in the two table are therefore not comparable.

Table 5 - Stock of paddy and rice at the end of each month with three selected traders of Raipur Market.

Month	(In maunds)			
	STOCK AT THE END OF EACH MONTH			
	Paddy		Rice	
	1957-58	1958-59	1957-58	1958-59
October	1	7,573	4,652	10,436
November	1	7,352	1,361	10,107
December	1	11,783	1,332	13,408
January	1	20,356	2,693	25,980
February	3,152	36,373	10,573	22,311
March	3,276	34,215	18,543	19,492
April	4,389	22,293	23,336	10,342
May	5,130	15,534	19,220	5,565
June	5,129	13,323	11,042	3,154
July	5,506		10,399	
August	5,313		10,623	
September	3,732		3,595	

TABLE 3—*Monthly Despatches by Rail from Raipur Railway Station*

Month/Year	Despatches by Rail of	
	Paddy	Rice
July, 1957	2,787	101,471
Aug., 1957	1,757	83,175
Sept., 1957	4,422	110,808
Oct., 1957	504	30,132
Nov., 1957	1,110	48,462
Dec., 1957	924	55,335
Jan., 1958	998	84,821
Feb., 1958	1,078	39,667
March., 1958	3,742	37,172
TOTAL	17,322	593,043

TABLE 4—*Pattern of Purchases and Sales by two Millers in Raipur Market*

Quarter	Purchases of paddy in the quarter	Purchases of paddy converted into Rice	Progressive total of purchases of Paddy converted into Rice	Sale of Rice in the quarter	Progressive total of sales of Rice	Increase + or decrease (—) or purchases over sales
1957-58						
Oct.—Dec.	36.3	24.2	24.2	24.2	24.2	—
Jan.—March	32.7	21.8	46.0	12.4	36.6	(+) 9.4
Apr.—June	18.6	12.4	58.4	18.0	54.6	(+) 3.8
July—Sept.	6.7	4.4	62.8	13.4	68.0	(—) 5.2
1958-59						
Oct.—Dec.	10.5	7.0	7.0	5.0	5.0	(+) 2.0
Jan.—March	214.8	143.2	150.2	136.4	141.4	(+) 8.8
Apr.—June	92.3	61.5	211.7	88.1	229.5	(—) 17.8

Table 6(ii) Pattern of Purchase of Paddy and Rice by Traders
in Raipur Market.

Quarter	PADDY		RICE	
	1957-58	1958-59	1957-58	1958-59
October to December	22 734	31,096	69,767	65,843
January to March	19 786	21,643	71,024	82,659
April to June	14 490	59,173	89,577	55,256
July to September	10 909		79,665	

TABLE 6 (ii)—*Pattern of sales of paddy and rice by three traders in Raipur market*

	(In mds.)			
	Paddy		Rice	
	1957-58	1958-59	1957-58	1958-59
Oct. to Dec.	23,617	28,089	70,498	62,034
Jan. to March	16,610	69,236	54,103	82,576
April to June	12,646	79,561	93,878	71,294
July to Sept.	7,446	..	86,112	..

TABLE 6 (iii)—*Purchases and sales of paddy and rice by three traders in Raipur market*

	(In maunds)		
	October '58 to June '59	October, 57 to June '58	July, 58 to Sept '58
1. Purchase of paddy	181,918	57,010	10,909
2. Sale of paddy	176,886	52,873	7,446
3. Excess (+) or deficiency (—) of (1) over (2) (+) 5,032	(+) 5,032	(+) 4,137	(+) 3,463
4. (i) Purchase of paddy in terms of rice	121,278·7	38,006·7	7,272·7
(ii) Purchase of rice	209,763	230,428	79,665
(iii) Total 4(i) and 4(ii)	331,041·7	268,434·7	86,937·7
5. (i) Sale of paddy in terms of rice	117,924	35,248·7	4,964
(ii) Sale of rice	215,904	218,479	86,112
(iii) Total 5(i) and 5 (ii)	333,828	253,727·7	91,076
6. Excess (+) or deficiency (—) of 4 (ii) over 5 (ii).	(—) 6,141	(+) 11,949	(—) 6,447
7. Excess (+) or deficiency (—) of 4 (iii) over 5 (iii).	(—) 2,786·3	(+) 14,707	(—) 4,138·3

TABLE 7—Range of price variation of different grades of paddy and rice in different quarters of the years 1957-58 and 1958-59 in Raipur market

		(in rupees and annas)															
Grade of paddy/rice		July to September		October to December		January to March		April to June									
		1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59								
Paddy	Gurmatia .	12-4	14-2	10-4	12-6	12-0	15-6	8-10	10-9	9-12	12-10	8-10	9-6	10-6	11-12	9-3	9-12
	Hansa .	13-4	14-13	10-14	12-12	13-2	16-5	9-4	11-9	11-0	13-6	9-5	9-12	11-4	12-4	9-12	10-12
	Fine .	14-8	17-4	12-14	15-11	14-6	17-5	10-6	12-13	11-10	15-12	10-0	10-13	12-9	14-8	10-0	13-0
Rice	Gurmatia .	19-4	21-2	16-2	18-12	19-8	21-8	14-6	16-14	15-9	19-0	13-0	14-6	15-10	18-4	13-10	15-12
	Hansa .	21-8	22-10	17-8	21-8	21-0	32-2	16-4	17-12	16-11	20-14	15-0	16-4	16-6	19-8	14-14	17-12
	Fine .	23-8	26-0	19-4	25-4	24-8	26-0	17-8	20-8	21-4	23-8	16-12	20-8	21-8	24-12	17-4	19-2

TABLE 8—Population average size (according to the size) of land holding of 56 farmers in 4 villages around Raipur

Size of land holding	No. of H. Hs.	Population in		Average size of H.H.	
		1957-58	1958-59	1957-58	1958-59
0— 5 acres	14	93	89	6.6	6.3
5—10 acres	15	105	103	7.0	6.8
10—25 acres	17	186	189	10.9	11.1
25—75 acres	7	62	66	8.8	9.4
75 acres and above	3	41	42	13.6	14.0
TOTAL	56	487	489	8.7	8.7

TABLE 9—Average size of land holding of 56 farmers in 4 villages around Raipur

Size Group	No. of H. H.	(In acres)			
		1957-58		1958-59	
		Land operated	Average size	Land operated	Average size
0— 5 acres	14	54.65	3.9	50.47	3.7
5—10 acres	15	106.95	7.1	104.84	7.0
10—25 acres	17	245.92	14.5	233.02	13.8
25—75 acres	7	242.63	34.7	244.04	34.8
75 acres and above	3	402.97	134.3	409.10	136.4

TABLE 10—Acreage and production of paddy by size of operational holding of 56 farmers of 4 villages around Raipur

Size Group	No. of H. H.	1957-58			1958-59		
		Acreage (acres)	Production (Mds.)	Yield (Rate)	Acreage (acres)	Production (Mds.)	Yield (Rate)
0— 5 acres	14	39.30	1,300.0	33.0	38.71	1,421	36.7
5—10 acres	15	69.59	2,174	31.2	78.58	2,327	29.6
10—25 acres	17	133.28	6,120.0	45.9	132.32	6,074	45.9
25—75 acres	7	140.93	3,958.0	28.0	139.35	4,138	29.6
75 acres and above	3	175.15	5,703	32.5	175.15	6,159	35.1
TOTAL	56	558.25	19,255	34.4	564.11	20,119	35.6

TABLE 11—*Proportion of sales and stocks to total receipts in Raipur market*
(in mds.)

Size Groups	1957-58					1958-59				
	Total Receipts	Sales	Stock at the end	P.C. Sales	P.C. Stock	Total Receipts	Sales	Stock at the end	P.C. Sales	P.C. Stocks
0—5 acres	1,608	179	283	11.1	17.6	1,606	264	66	16.4	4.1
5—10 acres	2,235	280	262	12.5	11.7	2,389	502	274	21.0	11.5
10—25 acres	6,225	844	123	13.6	2.0	6,223	895	443	14.4	7.1
25—75 acres	3,958	942	58	23.8	1.5	4,138	756	347	18.3	8.3
75 acres & above	5,703	573	34	10.0	0.5	6,159	790	1,049	12.9	17.0
TOTAL	20,119	2,818	760	14.3	3.9	20,515	3,207	2,179	15.6	10.6

TABLE 12—*Monthly purchases of rice by Central Government in Raipur*

Month	Purchases (in mds.)
Upto 28th February 1959	262,292
March, 1959	175,133
April, 1959	54,658
May, 1959	106,430
June, 1959	317,985
July, 1959 (upto 23rd)	18,618
TOTAL	935,116

TABLE 13—*Monthly procurement of paddy by Madhya Pradesh Government in Raipur*

(In mds.)

Month/Year	Procurement of Paddy			Total
	C ¹ Coarse	M ² Medium	M ¹ Fine	
December, 1958	3,280	1,210	80	4,570
January, 1959	41,756	13,050	1,910	56,714
February, 1959	55,472	29,538	4,522	89,532
March, 1959	36,962	24,798	2,952	64,712
April, 1959	8,928	10,614	3,248	22,790
May, 1959	2,060	2,090	1,130	5,280
June, 1959	1,400	890	..	2,290
TOTAL	149,858	82,190	13,842	245,890

TABLE 15—Comparison of prices fixed by Madhya Pradesh Government and Market prices of paddy in Raipur
(Rupees per maund)

Month	Range of prices offered by Government and market prices of paddy							
	Coarse		Medium		Fine			
	Govt.	Market	Govt.	Market	Govt.	Market		
December	9.10—9.25	9.00—9.19	9.50—9.60	9.25—9.50	10.05—10.12	10.37—10.75		
January	9.14—9.31	8.62—9.25	9.60—9.70	9.37—9.62	10.07—10.15	10.00—10.50		
February	9.14—9.40	9.12—9.25	9.65—9.75	9.31—9.62	10.07—10.15	10.12—10.56		
March	9.25—9.50	9.25—9.37	9.75—9.90	9.50—9.75	10.25—10.40	10.25—10.81		
April	9.36—9.39	9.19—9.31	9.81—9.85	9.75—9.81	10.03—10.32	10.25—10.75		
May	9.39—9.42	9.25—9.75	9.78—9.94	9.75—10.00	10.28—10.30	10.00—12.62		
June	9.42—9.43	9.37—9.62	9.81—9.85	10.00—10.37	10.23—10.50	11.25—13.00		



ANDHRA PRADESH

*The survey in the selected areas of Andhra Pradesh was conducted by the
Farm Management Centre located at Andhra University, Waltair,
under the guidance of the Director of the Centre,
Dr. B. Sarveswara Rao.*

सत्यमेव जयते



ANDHRA PRADESH

*The survey in the selected areas of Andhra Pradesh was conducted by the
Farm Management Centre located at Andhra University, Waltair,
under the guidance of the Director of the Centre,
Dr. B. Sarveswara Rao.*

सत्यमेव जयते

Four Market Centres in Andhra Pradesh

FLOW OF MARKET SUPPLIES OF PADDY AND RICE

The following report on the flow of market supplies of Paddy and Rice is based on a quick survey in selected centres in Andhra Pradesh, namely : (1) Tadepalligudem (West Godavari District), (2) Bhimavaram (West Godavari District), (3) Nellore (Nellore District), (4) Warangal (Warangal District). The survey was completed in less than 10 days in view of the short time available.

The data collected in the course of the survey may be conveniently studied by raising a few major questions regarding the flow of market supplies of paddy and rice in the selected market centres, and finding answers to them. The questions are as follows :

- (1) Has the production of paddy increased during the crop year 1958-59 as compared with 1957-58? If so, what factors have contributed to the increase in production?
- (2) Have the sales of paddy by producers decreased absolutely or relatively during 1958-59 as compared with 1957-58? If so, what are the factors inducing them to increase their stocks?
- (3) Have the traders' purchases and sales in the market centres decreased? If so, what factors explain the reduction in the volume of their business?
- (4) Have the prices of paddy and rice been rising during the year 1958-59 as compared with last year, and have they been rising more rapidly? What factors explain the price trends?

Let us now consider the above questions in the order in which they have been stated, and examine if the data collected in the course of the survey provide any answers to them.

- (1) Has the production of paddy increased during the crop year 1958-59 as compared with 1957-58? If so, what factors have contributed to the increase in production?**

(1) The data collected in the course of the survey do not lend conclusive support to the view that the production of paddy has considerably increased during the crop year 1958-59 as compared with 1957-58.

It is reported by the cultivators in the Tadepalligudem and Bhimavaram area that the harvest in November to December, 1958 was adversely affected on account of heavy and untimely rains both before and after harvesting. The cultivators who have reported some increase in their production in these two areas, have attributed this increase to the application of fertilisers. The figures given by the cultivators in the Nellore area also do not show any significant increase in production. On the other hand, the cultivators in Warangal area have given figures to show a considerable increase in production. It is interesting to find in this connection that the data collected under the Farm Management Studies in the 7 villages of the paddy zone in the West Godavari District lend some support to the view that the production of paddy considerably increased during the year 1958-59. The yield per acre also increased by about 1½ bags per acre.

On the whole, one gets the impression that there has been some small increase in production in the year 1958-59 as compared with 1957-58. The cultivators in Bhimavaram have perhaps given an underestimate of their production, and their statements have to be considered to imply that the harvest in November-December, 1958 turned out to be poorer than what they expected; but not that the actual production was lower than in 1957-58.

(2) Have the sales of paddy by producers decreased absolutely or relatively during 1958-59 as compared with 1957-58? If so, what are the factors inducing them to increase their stocks?

According to figures given by the producers in the Tadepalligudem area we find a considerable difference between production and the quantity of sales during the period November, 1958 to end of June, 1959 as compared with the corresponding period in 1957-58. There is considerable evidence to show that there were substantial stocks of paddy held by the producers at the end of June 1959. The data collected in the other areas, namely: Bhimavaram, Nellore and Warangal also support this conclusion as may be seen from the Table below :

Summary Table of Production and Sales in maunds during 1957-58 and 1958-59

	Tadepalligudem Market Centre		Bhimavaram Market Centre	
	1957-58	1958-59	1957-58	1958-59
Production	17,384	17,202	30,606	29,214
<i>Sales</i>				
Harvest period	4,452 (Nov. Jan. May)	5,094	8,326 (Nov. Jan. May.)	8,984
Post-harvest period	5,660 (Feb.—July)	2,692	13,376 (Feb.—July)	6,494
TOTAL	10,112 (Nov.—July)	7,786	21,702 (Nov.—July)	15,478

Summary Table of Production and Sales in maunds during 1957-58 and 1958-59

	Nellore Market Centre		Warangal Market Centre	
	1957-58	1958-59	1957-58	1958-59
Production	19,038	19,199	9,881	12,972
<i>Sales</i>				
Harvest period	1,805 (Jan.—Mar.)	575	1,523 (Dec.—Jan.)	1,653
Post-harvest period	5,370 (April—July)	851	2,860 (Feb.—July)	2,391
TOTAL	7,175 (Jan.—July)	1,426	4,383 (Dec.—July)	4,044

It must be noted that the decrease in the sales of paddy by the producers in these areas during the current year to the end of June is an absolute decrease as compared with the sales in the corresponding period in 1957-58.

The data collected under the Farm Management Studies lend partial support to this conclusion, by showing an absolute increase in production, sales as well as stocks. The total sales of the seventy selected cultivators in the paddy zone during the period November, 1958 to May, 1959, came to 2,118 bags as compared with 1,254 bags in the corresponding period 1957-58; but the total production minus sales at the end of May, 1959 was 5,100 bags as compared with 3,352 bags at the end of May, 1958. A study of the production, sales and stocks of 18 big cultivators out of the selected 70 cultivators reveals this feature of production and sales more clearly. Their sales of paddy during the period November, 1958 to May, 1959 amounted to 1,495 bags as compared with 1,085 bags in the corresponding period of 1957-58, while the total production minus sales was 1,842 bags at the end of May, 1959 as compared with a balance of 953 bags at the end of May, 1958.

The main factor which has induced the producers to increase their stocks during the current year 1958-59 as compared with 1957-58 seems to be their expectation of very favourable prices in the lean months of the year 1958-59. They seem to be holding now definite views about the behaviour of prices during each agricultural year, as well as about changes from one year to the next. They expect prices to rise not only in the lean months in each year, but also an increase in the prices in the lean months from year to year. It is a matter of significance that some of the producers, particularly in the Nellore area, definitely expressed such views, and are expecting that the peak prices during the lean months of this year are likely to be higher than the peak prices reached during the year 1957-58.

A second feature of the operations of the producers is that they are able to get more loans from the co-operative and other agencies during this year 1958-59 as compared with 1957-58. It is interesting to note in this connection that while the finance made available to the traders in the market centres by the State Bank and other commercial banks has considerably decreased, the finance made available to the producers by the co-operative agencies has considerably increased. This conclusion is supported by the data collected in the three market areas in the Delta districts. Another factor which is worth noting in this connection is the practice of the big producers to buy stocks of the small producers. There is evidence for this in the data collected in the Bhimavaram market area.

(3) Have the traders' purchases and sales in the market centres decreased? If so, what factors explain the reduction in the volume of their business?

The data collected in the course of the survey show that the traders' volume of business in the market centres has not decreased in absolute terms during this year 1958-59 as compared with the previous year 1957-58.

The figures given by 6 millers and one wholesale trader in the Tadepalligudem market centre show that the purchases of paddy during the period November, 1958 to June, 1959 (8 months) are almost equal to the purchases in the corresponding period November, 1957 to June, 1958 (8 months). The sales of rice during the period November, 1958 to June, 1959 show considerable excess over the sales in the corresponding period of 1957-58. Data collected in the Bhimavaram centre, however, show a considerable decrease in the volume of business during November, 1958 to June, 1959 as compared to the corresponding period in 1957-58 in respect of both the purchases of paddy and sales of rice. The data available for the Nellore market centre show some increase in the exports by railway, but in this case, some allowance has to be made for the decrease in exports by lorries. The Warangal centre, on the other hand, shows a phenomenal increase in the volume of business. As the Warangal market is a regulated one, the data collected for this market may be considered reliable, and the great increase in the trade must be partly attributed to the increase in production in the areas served by this market and which are located in the districts of Khammam, Warangal and Karimnagar. The figures supplied by the traders and millers in Bhimavaram and Tadepalligudem are not, however, as reliable. There is considerable evidence of concealed trade, and smuggling to areas outside the Southern Food Zone. If we make due allowance for such trade the total volume of business in these market centres would not be perhaps very much less in this year than in 1957-58.

In view of the above considerations we may have to conclude that the volume of business in the trading centres under study had neither decreased nor increased very much in absolute terms. There is not much evidence of hoarding or holding large unsold stocks by the traders and millers. There are also no indications that the traders or millers were hoarding stocks in villages or that they had advanced funds to the producers to hold back stocks on behalf of the traders or millers.

- (4) Have the prices of paddy and rice been rising during this year (1958-59) as compared with last year and have they been rising more rapidly? What factors explain the price trends?

The price data relating to the markets of Tadepalligudem, Nellore and Warangal reveal three significant features. Firstly, the ruling prices in the market in the current year 1958-59 are higher than in the previous year. Secondly, the rise in prices during this year, especially between March and July, is more rapid than in the corresponding months of the previous year. Thirdly, we find that the prices in the harvest months of 1958-59, i.e., January to March, in the Nellore market are higher than the maximum prices reached in 1957-58. These price trends indicate strong demand pressures in the market much more than any factors working on the production and supply side. The rapid rise in prices in the current year particularly after March cannot be attributed to any decrease in production or any significant speculative hoarding on the part of the traders. The only fact which seems to have been working on the supply side is the unwillingness of the producers to market their produce except at high prices. Their supply prices are definitely higher in this year than in the previous year. They seem to be working on the basis of very favourable price expectations. On the demand side also, there are powerful factors at work, which perhaps are even stronger than the factors on the supply side in bringing about the rapid rise in prices. In the market centres under study there is a general feeling that the demand from Kerala is the villain of the piece. But, in addition to the Kerala merchants and the Kerala Government operating in these markets, there are also traders and merchants from Madras and Mysore working in the markets. Thus, both the demand and supply factors have been responsible in creating the existing price situation.

Conclusions

The broad conclusions arising out of the present study may be summarised as follows:

- (1) There was a small increase in production of paddy in the crop year 1958-59 over 1957-58; but the flow of supplies to the market centres has been comparatively lower, indicating the existence of unsold stocks in the hands of the producers held in anticipation of rise in prices in the lean months to come. The major factor explaining the behaviour of producers appears to be the changing pattern of their price expectations during this year.
- (2) The volume of business of the traders and millers in the market centres has not increased or decreased very much during the year 1958-59 as compared with 1957-58; and the Government policy regarding prices and procurement does not appear to have encouraged the millers to expand their business; concealed trade and smuggling to places outside the Southern Food Zone were attractive.

- (3) The prices of paddy and rice have risen more rapidly during the year 1958-59 than during the previous year, especially since March/April, 1959. This price situation has been the result of combination of forces working on the supply side as well as the demand side, *i.e.*, the producers' expectations of higher prices and the willingness of private and Government agencies outside the Andhra State to pay higher prices. It is extremely difficult to keep prices stable within reasonable limits without curbing both these forces.



सत्यमेव जयते

APPENDIX--1

TADEPALLIGUDEM MARKET CENTRE—TABLES

TABLE 1—Area and Production.

TABLE 2—Production and Disposal.

TABLE 3—Sales during Harvest and Post-harvest months.

TABLE 4—Producer Loans.

TABLE 5—Purchases of Paddy by Traders.

TABLE 6—Sales of Paddy and Rice by Millers and Traders.

TABLE 7—Market Prices.

TABLE 8—Bank Advances to Millers.

APPENDIX--1

TADEPALLIGUDEM MARKET CENTRE—TABLES

TABLE 1—Area and Production.

TABLE 2—Production and Disposal.

TABLE 3—Sales during Harvest and Post-harvest months.

TABLE 4—Producer Loans.

TABLE 5—Purchases of Paddy by Traders.

TABLE 6—Sales of Paddy and Rice by Millers and Traders.

TABLE 7—Market Prices.

TABLE 8—Bank Advances to Millers.

TABLE 1—Area under Paddy and Production (for the selected producers)

Marketing Centre : Tadepalligudem

Class of producers	1957-58					1958-59							
	First crop			Second crop		Other receipts* (Bags)	Second crop			Other receipts* (Bags)			
	Area (Acres)	Yield (Bags)	Area (Acres)	Yield (Bags)	First crop		Yield (Bags)						
					Area (Acres)			Yield (Bags)					
Lower class	.	.	.	38.35	524	5.50	44	90	41.85	594	13.35	77	37
Middle class	.	.	.	136.35	1,844	99.30	200	79	137.30	1,770	34.90	255	55
Upper class	.	.	.	438.00	5,400	76.00	680	70	438.00	5,205	116.00	700	103
TOTAL	.	.	.	612.70	7,768	180.80	924	239	617.15	7,569	164.25	1,032	195

*Include purchases, rent received and payments received for services.

TABLE 2—*Production and Disposal (in Bags)*

Marketing Centre : Tadepalligudem.

Class of producers	Production				Disposal			Sales Nov. to June			
	No. of producers	1st crop	2nd crop	Total	Self consumption	Payments to labour	Rent paid		Seed	Market-able surplus	
1957-58											
Lower class	12	524	44	568	262	39	80	9 OR	178 } 90 }	274
Middle class	12	1,844	200	2,044	478	415	202	29 OR	920 } 79 }	986
Upper class	12	5,400	680	6,080	696	1,183	200	74 OR	3,927 } 70 }	3,796
TOTAL	36	7,768	924	8,692	1,436	1,637	482	112 OR	5,025 } 239 }	5,056
1958-59											
Lower class	12	594	77	671	262	40	110	9 OR	250 } 37 }	276
Middle class	12	1,770	255	2,025	463	424	202	29 OR	907 } 55 }	791
Upper class	12	5,205	700	5,905	701	1,183	191	74 OR	3,756 } 103 }	2,826
TOTAL	36	7,569	1,032	8,601	1,426	1,647	503	112 OR	4,913 } 195 }	3,893

OR—Other receipts (include purchases, rent received, payments received for services).

TABLE 3—Sales (in bags)

Marketing Centre : Tadepalligudem

Class of producers	No. of pro- ducers	Harvest			Post Harvest					
		1957-58			1958-59					
		Nov.	Jan.	May	Feb.	Mar.	Apr.	May	June	July
Lower class	12	75	44	44	..	..	..	..	60	51
	TOTAL			163						111
Middle class	12	245	95	200	..	124	20	115	187	..
	TOTAL			540						446
Upper class	12	470	403	650	150	473	280	435	440	495
	TOTAL			1,523						2,273
GRAND TOTAL	36	790	542	894	150	597	300	550	687	546
	TOTAL			2,226						2,830
Rice	.	17.50	20.00	20.00	24.50	21.00	21.00	22.00	22.50	24.00
	.	22.00	24.00	24.00	..	25.00	23.00	26.00	25.00	26.50
Lower class	12	49	83	63	..	..	6	25	50	..
	TOTAL			195						81
Middle class	12	243	75	223	40	12	45	72	71	10
	TOTAL			541						250
Upper class	12	480	844	487	200	272	48	400	95	..
	TOTAL			1,811						1,015
GRAND TOTAL	36	772	1,002	773	240	284	99	497	216	10
	TOTAL			2,547						1,346
Rice	.	10.9	21.0	22.0	21.8	22.5	24.0	22.0	22.5	27.5
	.	24.0	24.5	28.0	23.5	24.0	25.0	27.0	25.0	..

TABLE 4—*Producer Loans*

Marketing Centre: Tadepalligudem

Class of producers	Total No. of producers	1957-58			1958-59		
		No. of loans	Bags pledged	Amount drawn (Rs.)	No. of loans	Bags pledged	Amount drawn (Rs.)
Lower class	12	1	80	700	..	..	..
Middle class	12	1	100	1,000	7	750	7,270
Upper class	12	3	518	4,800	6	1,050	9,850
TOTAL	36	5	698	6,500	13	1,800	17,120

TABLE 5—*Purchases of Paddy*

Marketing Centre: Tadepalligudem

(Six millers and one wholesale dealer)

Month	Purchases (paddy) bags of 2 mds.	
	1957-58	1958-59
November	12,893	41,115
December	40,424	37,817
January	22,883	28,542
HARVEST TOTAL	76,200	1,07,474
February	23,258	21,516
March	26,624	7,081
April	24,917	13,791
May	45,518	33,611
June	20,944	34,611
POST HARVEST TOTAL	1,41,261	1,10,610
GRAND TOTAL	2,17,461	2,18,084

TABLE 6—*Sales of Paddy and Rice*

Marketing Centre : Tadepalligudem

(In bags of 2 mds.)

Month	Paddy sales by one wholesale dealer		Rice sales by six millers	
	1957-58	1958-59	1957-58	1958-59
November	1,830	5,610	6,662	10,215
December	6,121	1,126	13,366	23,812
January	794	271	14,073	37,253
HARVEST TOTAL	8,745	7,007	34,101	71,280
February	356	..	..	14,795
March . . . . .	..	151	24,686	18,513
April	280	991	14,206	7,381
May . . . . .	..	329	16,377	12,795
June . . . . .	..	60	12,872	21,495
POST HARVEST TOTAL	636	1,531	85,479	74,979
GRAND TOTAL	9,381	8,538	1,19,580	1,46,259

TABLE 7—*Market Prices*

Marketing Centre : Tadepalligudem

(Rs. per bag of 2 mds. each)

Month	1957-58		1958-59	
	Boiled Rice	Raw Rice	Boiled Rice	Raw Rice
November	36·00—38·00	37·50—40·00	40·00	42·00
December	36·00	36·00—39·00	36·50—40·00	36·00—42·25
January . . . . .	..	35·00—39·00	35·00—35·75	35·00—36·00
February	36·00	33·00—36·00	35·50—36·00	35·00—36·00
March	33·00—36·00	35·25—36·00	35·00—36·00	36·00—36·50
April	34·00—35·00	34·50—35·50	37·00—40·00	37·00—40·00
May	35·00—37·00	36·00—38·50	39·00—42·00	40·00—41·50
June	36·00—37·00	37·00—39·00	41·50—49·00	41·00—43·50
July	37·50	38·00—39·00	44·50—50·75	44·00
August	34·00—38·00	38·00—40·00	..	..
September . . . . .	..	39·50—40·00	..	..
October . . . . .	..	39·50—40·00	..	..

TABLE 8—*Bank Advances to Six Millers*

Marketing Centre : Tadepalligudem

Period	1957-58 Rs.	1958-59 Rs.
November to February	11,63,725	12,24,483
March to June	17,16,032	7,64,842
TOTAL	28,79,757	19,89,325



APPENDIX II

BHIMAVARAM MARKET CENTRE—TABLES

TABLE 1—Area and Production.

TABLE 2—Production and Disposal.

TABLE 3—Sales during Harvest and Post-harvest Months.

TABLE 4—Producer Loans.

TABLE 5—Purchases and Sales of Paddy and Rice during November 1957 to June 1958 and Nov. 1958 to June 1959.

TABLE 6—Exports by Rail.

TABLE 7—Bank Advances to Millers.

TABLE 1—*Area and Production.*

Marketing Centre : Bhimavaram

Class of producers	No. of producers	First crop			Second crop			O.R.		First crop			Second crop			O.R.	
		Area (acres)	Yield (bags)		Area (acres)	Yield (bags)		(bags)		Area (acres)	Yield (bags)		Area (acres)	Yield (bags)		(bags)	
Lower class	3	16.00	230		4.00	25		..		16.00	230		5.50	50		..	
Middle class	20	234.50	3,373		90.00	970		256		242.50	3,460		82.00	856		212	
Upper class	13	589.00	8,460		237.00	160		160		584.00	7,905		218.00	2,106		890	
TOTAL	36	839.50	12,663		331.00	3,240		416		842.50	11,595		305.50	3,012		1,102	

OR= Other receipts (include purchases, rents received, payments received for services).



TABLE 2.—Production & Distribution

Marketing Centre : Bhimavaram

(in bags).

Class of Producers	No. of producers	Production		Disposal					Sales Nov. to June
		1st crop	2nd crop	Total	Self consumption	Payments to labour	Rent paid	Seed		Market-able surplus
1957-58									
Lower class	3	230	25	255	65	50	Nil	1 OR	139 } 140
Middle class	20	3,373	970	4,343	604	691	313	64 OR	2,671 } 3,465
Upper class	13	8,460	2,245	10,705	609	1,685	1,057	149 OR	7,205 } 7,215
TOTAL	36	12,063	3,240	15,303	1,278	2,426	1,370	214 OR	10,015 } 10,820
1958-59									
Lower class	3	230	50	280	65	50	..	2 OR	163 } 135
Middle class	20	3,460	856	4,316	619	665	332	65 OR	2,635 } 2,572
Upper class	13	7,905	2,106	10,011	609	1,685	917	166 OR	6,634 } 5,042
TOTAL	36	11,595	3,012	14,607	1,293	2,390	1,249	233 OR	9,432 } 7,749

OR—Other receipts (include purchases, rents received, payments received for services).

TABLE 3—Sales (in bags)

Marketing Centre : Bhimavaram

Class of producers	No. of producers	Harvest			Past Harvest								
		Nov.	Jan.	May	Feb.	Mar.	Apr.	May	June	July			
1957-58													
Lower class	3	..	..	25 25	85	..	..	..	..	30	..	115
Middle class	20	285	399	656 1,340	110	236	99	245	..	561	..	900 2,125	
Upper class	13	940	750	1,108 2,798	50	250	..	100	..	1,150	..	2,872 4,422	
Total	36	1,225	1,149	1,789 4,163	245	486	99	345	..	1,741	..	3,772 6,688	
1958-59													
Lower class	3	..	20	.. 20	55	..	..	50	..	..	..	105
Middle class	20	465	460	544 1,469	260	115	150	146	..	132	..	300 1,103	
Upper class	13	890	1,072	1,041 3,003	250	732	..	70	..	415	..	562 2,039	
Total	36	1,355	1,552	1,585 4,492	565	847	150	276	..	547	..	862 3,247	

TABLE 4—*Producer Loans*

Marketing Centre : Bhimavaram

Class of producers	No. of Producers	1957-58			1958-59		
		Number of loans	Bags pledged	Amount drawn (Rs.)	Number of loans	Bags pledged	Amount drawn (Rs.)
Lower class	3	..	..	..	..	..	..
Middle class	20	6	1,040	12,300	6	1,260	14,900
Upper class	13	10	2,810	32,170	12	2,935	32,920
TOTAL	36	16	3,850	44,470	18	4,195	47,820

TABLE 5—*Purchases and sales of paddy and rice in Nov. 1957 to June 1958 and Nov. 1958 to June 1959.*

Marketing Centre : Bhimavaram

Class of traders	No. of Traders	Paddy				Rice			
		Purchases		Sales		Purchases		Sales	
		1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59
Millers	4	2,92,796	2,71,194	807	13,076	3,457	..	1,79,614	1,51,681
Wholesalers	2	29,240	25,751	65	67	..	255	19,114	17,955
Commission agents	1	18,024	3,164	16,061	2,153	5,154	7,119	4,622	7,119
TOTAL	7	3,40,060	3,00,109	16,933	15,296	8,611	7,374	2,03,350	1,76,755

TABLE 6—Exports by rail

Marketing Centre : Bhimavaram

Month	1957-58 (Mds.)	1958-59 (Mds.)
November	1,17,516	1,29,311
December	1,21,835	1,49,201
January	97,964	85,340
February	95,163	87,705
March	1,07,703	1,07,281
April	1,35,086	1,22,714
May	1,57,200	1,09,124
June	95,376	1,12,560
TOTAL	9,27,843	9,03,236

TABLE 7— Bank advances to Millers (3)

Marketing Centre :Bhimavaram

Period	1957-58 Rs.	1958-59 Rs.
December to February.	13,68,536	12,32,536
March to May	14,35,725	14,32,607
TOTAL	28,04,261	26,65,143

APPENDIX III

NELLORE MARKET CENTRE—TABLES

TABLE 1.—Area and Production.

TABLE 2.—Sales of Paddy in Putties.

TABLE 3.—Production, Disposals, Marketable and Marketed Surplus.

TABLE 4.—Producer Loans.

TABLE 5.—Export of Rice by Wagons.

TABLE 6.—Wholesale Prices of First Sort Rice (per bag of two maunds.)

TABLE 7.—Bank Loans against Paddy.

APPENDIX III

NELLORE MARKET CENTRE—TABLES

TABLE 1.—Area and Production.

TABLE 2.—Sales of Paddy in Putties.

TABLE 3.—Production, Disposals, Marketable and Marketed Surplus.

TABLE 4.—Producer Loans.

TABLE 5.—Export of Rice by Wagons.

TABLE 6.—Wholesale Prices of First Sort Rice (per bag of two maunds.)

TABLE 7.—Bank Loans against Paddy.

TABLE 1— *Area and Production*
Marketing Centre : Nellore

Class of producers	Operated area (in acres)		Cropped area (in acres)		Total production in putties (1876 lbs) per putti	
	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59
Substantial	418.00	415.00	404.00	406.00	551½	548
Medium	152.00	154.00	155.00	157.00	196½	205½
Small	70.10	70.10	66.60	65.60	80½	81½
OVERALL	640.10	639.10	625.60	628.60	827¾	834¾



सत्यमेव जयते

TABLE 2—Sales of Paddy in Putties (1876 lbs.)

Marketing Centre : Nellore

Class of producers	No. of producers	Jan.		Feb.		March		April		May		June		July		August		Sept.		Oct.		Nov.		Dec.		Total
		'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	'58	'59	
Substantial	12	10	..	..	..	40	14	121	10	66	16	..	..	8	8	..	16	..	18	..	..	..	2	..	281	48
Medium	12	..	..	..	..	18	..	33	..	12	..	..	..	..	..	..	7	..	4	..	5	..	2	..	81	..
Small	12	5½	4	..	7	5	..	1½	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	12	14
TOTAL	36	15½	4	..	7	63	14	155½	13	78	16	..	..	8	8	..	23	..	22	..	5	..	4	..	374	62

TABLE 3—Production, Disposals, Marketable and Marketed Surplus in Putties (1876 lbs.)

Marketing Centre : Nellore

Class of producers	No. of produ- cers	1957-58 Crop				1958-59 Crop						
		Total produ- tion	Total dispo- sals	Total marketable surplus		Total produ- tion	Total dispo- sals	Total marketable surplus				
				Qty.	% of total produc- tion			Qty.	% of total pro- duction			
										Total marketed surplus upto June only	Total marketed surplus upto June only	
Substantial	12	551	278	273	49.54	239	87.5	285	263	47.99	40	15.21
Medium	12	197	116	81	41.11	63	77.7	119	86	41.95	..	Nil
Small	12	80	68	12	15.00	12	100.0	68	14	17.07	14	100.00
TOTAL	36	828	462	366	44.20	314	85.79	472	363	43.47	54	14.88

TABLE 4—*Producer Loans*

Marketing Centre : Nellore

Class of producers	1957-58		1958-59	
	Qty. pledged with banks (1876 lbs. per putt)	Amount advanced (Rs.)	Qty. pledged with banks (1876 lbs. per putt)	Amount advanced (Rs.)
Substantial	104	14,200	34	5,500
Medium	27	3,500	18	3,000
Small	6	1,000	..	..
OVERALL	137	21,200	52	8,500

TABLE 5—*Export of Rice by Wagons*

Marketing Centre : Nellore

	Nov. 57 to June 58	Nov. 58 to June 59
Number of wagons supplied for export of rice	432	669
Number of bags exported	2,00,541	2,34,640

NOTE.—The number of wagons has increased by 50% from 1957-58 to 1958-59, whereas the total quantity in terms of bags has increased by only 17%

TABLE 6—*Wholesale Prices of First Sort Rice (Per bag of two maunds)*

Marketing Centre : Nellore

Month	1957-58 Rs.	1958-59 Rs.
November	44·00	45·50
December	44·00	50·00
January	43·00	50·00
February	43·00	54·48
March	43·00	54·48
April	43·00	50·50
May	37·12	50·50
June	37·12	50·00
July	40·00	..
August	40·00	..
September	42·00	..
October	44·00	..

TABLE 7—*Loans given by Banks against Paddy*

Marketing Centre : Nellore

Bank	Nov. 1957—June 1958			Nov. 1958—June 1958		
	Number of loans	Quantity in bags	Amount Rs.	Number of loans	Quantity in bags	Amount Rs.
Andhra Bank	60	42,162	5,38,300	20	12,850	1,90,265
State Bank	15	8,168	1,01,200	..	..	..
Indian Bank	52	24,759	3,77,819	38	20,412	3,09,850
Co-operative Central Bank	882	72,447	10,82,696	2,134	2,12,576	31,58,174
TOTAL	1,009	1,47,536	21,00,015	2,192	2,45,838	36,58,289



APPENDIX IV

WARANGAL MARKET CENTRE—TABLES

- TABLE 1. Area, Production, Supply and Sales.
- TABLE 2. Sales of Paddy during Harvest and Post-harvest periods.
- TABLE 3. Monthly Arrivals of Paddy.
- TABLE 4. Monthly Exports of Paddy and Rice by Rail.
- TABLE 5. Wholesale Prices of Paddy and Rice (per maund.)
- TABLE 6. Bank Advances and Quantity Pledged.
-

TABLE 1—Area and Production, Supply and Sales

Marketing Centre : Warangal

Class of producers	No. of producers	Cropped area under paddy (in acres)		Total production of paddy (in mds.)		Total supply of paddy (in mds.)		Total consumption of paddy (in mds.)		Marketable produce (mds.)		Total Sales (mds.)	
		'57-58	'58-59	'57-58	'58-59	'57-58	'58-59	'57-58	'58-59	'57-58	'58-59	'57-58	'58-59
Small	12	73	73	1,632	1,767	1,754	1,886	1,143½	1,146½	488½	620½	610½	714
Medium	12	158	194	2,348	3,549½	2,749½	3,586½	1,884½	1,922	553½	1,626	907	1,011
Substantial	12	341	376	5,811	7,656	6,216	7,791	3,360	3,441	2,451	4,215	2,866	2,319
	36	572	643	9,881	12,972½	10,719½	13,263½	6,388	6,509½	3,493	6,461½	4,383	4,044



TABLE 2—*Sales of Paddy*

Marketing Centre : Warangal			(in maunds)	
Class of producers	Harvest		Post-harvest	
	Dec. to January			
	'57-58	'58-59	'57-58	'58-59
Small	352½	393	258	321
Medium	400½	267	506	744
Substantial	770	993	2,096	1,326
TOTAL	1,523	1,653	2,860	2,391

TABLE 3—*Monthly Paddy Arrivals*

Marketing Centre : Warangal

Month	Arrivals of paddy (in maunds)	
	1957-58	1958-59
November	29,652	97,692
December	46,488	1,43,058
January	53,976	1,07,856
February	45,498	81,756
March	52,776	89,028
April	73,104	90,339
May	79,584	1,69,401
June	30,930	15,843
TOTAL	4,11,828	7,94,973

TABLE 4—*Exports by Rail*

Marketing Centre : Warangal

Month	Paddy		Rice	
	1957-58	1958-59	1957-58	1958-59
November	32,523	1,18,704
December	..	52,914	25,140	87,023
January	..	38,163	24,381	92,596
February	..	9,905	13,185	58,485
March	..	16,066	13,140	1,03,866
April	..	6,122	27,010	1,23,805
May	..	6,968	53,469	1,24,776
June	..	7,842	29,940	92,112
TOTAL	..	1,37,980	2,18,788	8,01,367

TABLE 5—*Wholesale Prices (Market)*

Marketing Centre : Warangal

(In Rs. nP.)

Month	Paddy coarse (per md.)		Rice coarse (per md.)	
	1957-58	1958-59	1957-58	1958-59
November	14·04	11·83	19·67	18·50
December	10·79	11·48	17·00	16·83
January	11·41	11·46	17·16	17·00
February	11·12	11·11	17·67	15·50
March	11·10	19·52	18·00	16·25
April	10·68	12·95	17·83	20·67
May	11·17	12·55	18·33	20·67
June	12·79	13·21	21·67	21·17

TABLE 6—*Quantities of Paddy pledged in the Banks*

Marketing Centre : Warangal

Month	1957-58		1958-59	
	Qty. (mds.)	Advanced (Rs.)	Qty. (mds.)	Advanced (Rs.)
November	9,364	65,875	71,170	3,69,000
December	12,606	88,386	98,925	5,31,672
January	45,521	3,20,805	73,704	4,56,500
February	67,874	4,94,405	93,385	5,47,605
March	65,870	4,73,200	85,911	5,50,500
April	72,995	5,10,270	88,635	5,95,000
May	88,045	6,26,144	96,141	6,25,500
June	60,442	4,34,479	1,14,783	8,27,350
TOTAL	4,22,717	30,13,564	722,654	45,03,127



APPENDIX V

FARM MANAGEMENT STUDIES—DATA

TABLE 1—Production and Sales of Paddy for all the Selected Cultivators in the Paddy Zone, West Godavari District, Andhra Pradesh.

TABLE 2—Receipts and Disposals of Paddy for some Selected big Holdings in the Paddy Zone of Seven Villages in the West Godavari District, Andhra Pradesh.

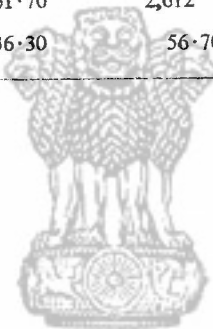
सत्यमेव जयते



सत्यमेव जयते

TABLE 1—*Production and Sales of Paddy for all the Selected Cultivators in the Paddy Zone, West Godavari District, Farm Management Studies*

	No. of holdings	Cropped area under paddy	Total produc- tion in bags of 166 lbs.	Yield per acre	Total sales	Balance of produc- tion over sales
		I Crop	II Crop			
November '57 to May '58	67	445.29 (392.68+52.61)	4,606	10.34	1,254	3,352
November '58 to May '59	70	606.99 (401.42+205.57)	7,218 (5,180+2,038)	11.89	2,118	5,100
<i>Increase in '58-59 over '57-58</i>						
(a) Amount :		161.70	2,612	1.55	864	1748
(b) Percentage :		36.30	56.70	14.99	68.90	52.14



सत्यमेव जयते

TABLE 2.—Receipts and Disposals of Paddy for some selected big Holdings in the Paddy Zone of 7 Villages in the West Godavari District, Farm Management Studies

	Number of holdings	Cropped area under paddy (acres)	Farm production	Supply from other sources	Total of (3) & (4)	Consumption + payments in kind	Sales	Total of (6) & (7)	Balance at the beginning (Columns 5—8)	Balance at the beginning of June '59 (Cols. 5—8)
Nov. 1957—May 1958	18	237.06	2,870.35	122.0	2,992.35	954.00	1,085.50	2,039.50	952.85	..
Nov. 1958—May 1959	18	338.83	4,028.50	123.00	4,151.50	814.00	1,495.50	2,309.50	..	1,842.00
<i>Increase in 58-59 over 57-58 :</i>										
(a) Quantity	..	101.77	1,158.15	..	..	..	410.00	..	..	..
(b) Percentage	..	42.93	40.35	..	..	..	37.77	..	..	..
<i>Yield per acre:</i>										
1957-58	..	12.11	..	..	..	..	..	..	..	..
1958-59	..	11.89	..	..	..	..	..	..	..	..
<i>Decrease:</i>										
(a) Amount.	..	+0.22	..	..	..	..	..	..	..	..
(b) Percentage	..	1.82	..	..	..	..	..	..	..	..

TABLE OF CONTENTS

	PAGES
1. Preface	(ii)
2. Summary	1—14
3. Uttar Pradesh and Punjab	15—120
4. West Bengal, Bihar and Orissa	121—244
5. Madras	245—338
6. Madhya Pradesh	339—368
7. Andhra Pradesh	369—404

<u>Page</u>	<u>Para</u>	<u>Line/Col.</u>	<u>As printed</u>	<u>As desired</u>
171	Para 2	Line 6	delete 'and additional'	
191	Para 3	Line 11	has	have
193	Para 3	Line 4	complains	complaints
196	Para 2	Line 7	Nonevor	However
270	Para 4	Line 2	37.5 acres	375 acres
276	Para 5	Last line	in six months	is six mon.
281	Para 2	Lines 7 & 8	quantity	quantity
286	Para 1	Line 3 should be deleted.		
<u>Table No. 4</u> On pages 295, 296, 303, 306, 308, 310, 314, 317, 320, 323, 326 & 329 - The marketable quantity has been arrived at by deducting all disposals and total consumption from paddy produced + initial stocks + other receipts in kind.				
302	Table 3	(heading) 1st line	1958-59	1958
303	Table 4	under line 3/Col. 4	3.4	3.5
		1958-59		
	Table 4	under line 5/Col. 2	16.75	16.25
		1958-59		
308	Table No. 4	Line 7 under 1957-58	394.44	349.44
309	Table 5	Line 5/Col. 2	33.48	33.44
	Table 5	Last Line Col. 4 under 1958-59.	394.44	349.44
362	Table 4	figures are in thousand maunds.		
364	Table 7	Line 5/Col. 4	21-0 32-2	21-0 23-2
404	Table 2	Cols. are numbered serially from "number of holdings".		
404	Table 2	Col. last but one.	Balance at the beginning (columns 5-8)	Balance at the beginning of June 1958 (Cols. 5-8).

* - Includes data and directions available after the printing of the Report.

Except where otherwise stated, figures of area given in the Report are in acres, figures of arrivals of commodities are in maunds, production value, price and price range in Rs. and p.

CORRIGENDA*

<u>Page</u>	<u>Para</u>	<u>Line/Col.</u>	<u>As printed</u>	<u>As desired</u>
	4	12	poducers	producers
	Last para	4	only 26.7 per cent of	lower by 26.7 percent than
<p>Add Footnote: Production shown in cols.4 & 5 relates to 1957-58; Production shown in cols. 10 & 11 relates to 1958-59; Sales shown in cols.6,7,8 & 9 relate to 1958; Sales shown in cols. 12,13,14 & 15 relate to 1959.</p>				
2	Statement 2	3/Col. 2	1,692	1,662
0	Statement 5	7/Col.19	31.21	13.21
6 & 7	Statement 9	Col.9 & 10	Cotton	Cotton (Deshi)
	Statement 10	Last Col. is 20 for 1958-59 - Figures in mds.		
9	Statement 12	(heading) line 2	delete district	
1	Table No. 1	14/Col. 17	7,454	7,445
2	Table No. 2	Read cols. 1-17 from "Total land cultivated".		
4	Para 1	Line 16	,beween	between
6	Para 1	Line 8	and is one	it is one
6	Para 2	Line 4	important	importance
	Para 2	Line 20	Rs. 19/- per month	Rs. 19/- per maund
	Para 1	Line 5	in seems	It seems
	Para 3	Line 5 from bottom	Rs. 8/- per month	Rs. 3/- per maund
	Para 2	Lines 12-13	0.59 up	59 nP.
	Para 1	Line 5	Table 9	Table 0.10
	Para 5	Last line	arbitrailly	arbitrarilly



Report
on
An Enquiry
into the
Pace & Pattern
of
Market Arrivals of Foodgrains
(Season 1958-59)

Issued by
Economic & Statistical Adviser
to the Government of India
DIRECTORATE OF ECONOMICS AND STATISTICS
MINISTRY OF FOOD AND AGRICULTURE

PREFACE

Market prices of foodgrains in 1958-59 season were on the whole found to respond inadequately to the level of production secured in the year. There was general evidence to show that a shrinkage in market arrivals was one of the major reasons for this phenomenon. To find out in greater detail the pace and pattern of the flow of rice and wheat from rural areas into markets and the subsequent disposal of supplies by wholesale traders and millers in the 1958-59 marketing season (April 1958 to March 1959 for wheat and October 1958 to September 1959 for rice), four Agro-Economic Research Centres and one Farm Management Centre were requested towards the middle of July 1959 to conduct an expeditious enquiry. Accordingly, the enquiry was organised by the Directors of the five Centres : Dr. B. N. Ganguli, of the Agro-Economic Research Centre located at the Delhi School of Economics, Delhi; Dr. J. P. Bhattacharjee, Visva-Bharati University, Santiniketan; Dr. R. Balakrishna, University of Madras; Dr. K. Kanungo, Rafi Ahmed Kidwai Agricultural Institute, Sehore, (Madhya Pradesh); and Dr. B. Sarweswara Rao, Farm Management Centre located at Andhra University, Waltair (Andhra Pradesh).

The findings of the enquiry by the five Agro-Economic Research/Farm Management Centres and a summary thereof appear in this publication. In interpreting the conclusions, it is necessary to bear in mind that it was not a full-scale statistical enquiry and that the data and analysis pertain to the conditions of the markets and the behaviour of the producers surveyed. It is hoped that the Report would assist objective understanding of some of the forces which have lately been active in the food economy of the country.

The views expressed in the Report are entirely those of the non-official experts who directed the enquiries.

R. N. Poduval

Economic and Statistical Adviser